SUGAR FROM CANADA

Determination of "A Reasonable Indication of Injury" in Inquiry No. AA1921-Inq.-27, Under the Antidumping Act, 1921, as Amended

USITC PUBLICATION 977

MAY 1979

United States International Trade Commission / Washington, D.C. 20436

UNITED STATES INTERNATIONAL TRADE COMMISSION

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FOR RELEASE
May 25, 1979

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USITC 79-054

USITC REPORTS ON SUGAR FROM CANADA

Treasury Investigation To Continue

The United States International Trade Commission today notified the Secretary of the Treasury that the pending Treasury Department investigation on the nature and extent of sales at less than fair value (LTFV) of sugar from Canada under the Antidumping Act, 1921, should not be terminated.

The Commission had been asked to determine if there was no reasonable indication of injury or the likelihood of injury to an industry in the United States from such imports, alleged to be sold at LTFV in the United States. Chairman Joseph O. Parker, Vice Chairman Bill Alberger, and Commissioners George M. Moore, Catherine Bedell, and Paula Stern determined that there was a reasonable indication of injury or the likelihood thereof.

As a result of the determination, the Treasury Department will continue its investigation, which it instituted under the Antidumping Act pursuant to a complaint filed by counsel for the Amstar Corp., a major U.S. producer of refined sugar.

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Refined sugar imports from Canada increased from 1 ton in 1974 to 138,000 tons in 1977 and 98,000 tons last year. Monthly import figures show that imports of refined sugar from Canada during the first quarter of 1979 were three times greater than during the first quarter of 1978 and twice as much as during the first quarter of 1977. Virtually all of the imports from Canada, the principal foreign supplier of refined cane sugar, enter through customs districts in the Northeastern/Eastern Great Lakes (NE/EGL) area of the United States. The petitioner claimed an average margin of sales at LTFV for sugar from Canada of 24 percent for bulk sugar and 13 percent for sugar in 5-pound bags, in relation to the Canadian home-market price. Some domestic sugar producers that principally sell most of their output to markets in the NE/EGL area reported a decline in their net profit in recent years. On the basis of information developed in the course of its inquiry, the Commission found indications of price suppression, increased market penetration, and declining employment, shipments, and profit.

The Commission's public report, Sugar From Canada (USITC Publication 977), contains the views of the Commissioners and information developed during the inquiry (No. AA1921-Inq.-27). Copies may be obtained by calling (202) 523-5178 or from the Office of the Secretary, 701 E Street NW., Washington, D.C. 20436.

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Note.--Information which would disclose confidential operations of individual concerns may not be published and therefore has been deleted from this report. Deletions are indicated by asterisks.

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, D.C. 20436

(AA1921-Inq.-27)

SUGAR FROM CANADA

Commission Determines "A Reasonable Indication of Injury"

On the basis of information developed during the course of inquiry No. AA1921-Inq.-27, undertaken by the United States International Trade Commission under section 201(c) of the Antidumping Act, 1921, as amended, the Commission unanimously determines that there is a reasonable indication that an industry in the United States is being or is likely to be injured by reason of the importation of sugar--dutiable under items 155.20 and 155.30 of the Tariff Schedules of the United States--into the United States from Canada allegedly sold at less than fair value as indicated by the Department of the Treasury. 1/

On April 25, 1979, the Commission received advice from the Department of the Treasury that, in accordance with section 201(c)(1) of the Antidumping Act, 1921, as amended, an antidumping investigation was being instituted with respect to sugar from Canada and that, pursuant to section 201(c)(2) of the act, information developed during Treasury's preliminary investigation led to the conclusion that there is substantial doubt that an industry in the United States is being or is likely to be injured by reason of the importation of such merchandise. Accordingly, the Commission, on May 1, 1979, instituted inquiry No. AA1921-Inq.-27 under section 201(c)(2) of the act to determine whether there is no reasonable

1/ Although the vote to continue Treasury's investigation is unanimous, the Commissioners voting state their determinations differently. Vice Chairman Bill Alberger and Commissioners George M. Moore, Catherine Bedell and Paula Stern state that they determine that there is a reasonable indication that an industry in the United States is being or is likely to be injured by reason of the importation of sugar into the United States from Canada allegedly sold at less than fair value as indicated by the Department of the Treasury. Chairman Joseph O. Parker states that he does not determine that there is no reasonable indication that an industry in the United States is being or is likely to be injured by reason of the importation of sugar into the United States from Canada allegedly sold at less than fair value as indicated by the Department of the Treasury.

indication that an industry in the United States is being or is likely to be injured, or is prevented from being established, by reason of the importation of such merchandise into the United States.

Public notice of both the institution of the inquiry and of the hearing was duly given by posting copies of the notice at the Secretary's office in the Commission in Washington, D.C., and at the Commission's office in New York City, and by publishing the original notice in the Federal Register of May 3, 1979 (44 F.R. 25950). A public hearing was held on May 10, 1979, in Washington, D.C., and all persons requesting the opportunity to appear were permitted to appear by counsel or in person.

In arriving at its determination, the Commission gave due consideration to all written submissions from interested persons and information adduced at the hearing and obtained by the Commission's staff from questionnaires, personal interviews and other sources.

Statement of Reasons of Chairman Joseph O. Parker and
Commissioners George M. Moore and Catherine Bedell

This inquiry under section 201(c) of the Antidumping Act, 1921, as amended, was instituted by the Commission after receiving advice from the Department of the Treasury that, during the course of a preliminary investigation with respect to a complaint filed under that act, Treasury had concluded that there is substantial doubt that an industry in the United States is being or is likely to be injured by reason of the importation of sugar from Canada classified under items 155.20 and 155.30 of the Tariff Schedules of the United States. Treasury's investigation was initiated after the filing of a complaint by Amstar Corp.

The petitioner alleges that because almost all the sugar from Canada is imported through customs districts located in the Northeastern/Eastern Great Lakes (NE/EGL) area of the United States, it is the domestic producers located in this region which are affected by the imports sold at less than fair value (LTFV). Official statistics show that more than 99 percent of sugar imported from Canada, almost all of which is refined, enters this area of the United States. Preliminary information developed during this inquiry indicates that because of the low value-to-weight ratio, the bulk of these imports are also marketed within this area. There are also indications that domestic refineries located in the NE/EGL area market most of their production within 250-300 miles of the refineries. Refiners located in this area responding to Commission questionnaires indicated that more than 85 percent of their output was sold to customers within this area. Thus, there is at least a reasonable indication that a distinct marketing area, as alleged by petitioner, may exist and must be considered in determining whether to terminate this investigation.

In each year since 1974, world production of sugar has been in excess of world consumption and has resulted in an accumulation of world stocks of more than 45 million metric tons of raw sugar, the equivalent of about one-half of annual world consumption. This inventory has had a significant downward impact on world sugar prices and has left large stocks of sugar to be marketed in the few remaining accessible markets of the world, of which the United States is one.

Since sugar is a fungible commodity, price is the primary factor in determining which sugar is purchased. With the world price of sugar at about one-half that at which it is supported by a Government program in the United States, a system of tariffs and fees has been instituted to attempt to prevent imported sugar from impairing this price support program. This system is based on world raw sugar prices, and together with transportation, handling costs, duties, and fees, is designed to raise the price of imported raw sugar to a fixed domestic target price. To the extent, however, that refined sugar can be imported into the U.S. market at or below the support price for refined sugar it can penetrate the U.S. market, if the quantities involved are within applicable quotas. Since Canada has joined the International Sugar Agreement, imports of refined sugar from Canada are subject only to an annual global quota of 6.9 million tons established by Presidential Proclamation No. 4610 on November 30, 1978. 1/ To date this quota has not been filled.

Petitioner has alleged that sugar imported from Canada is being sold at LTFV margins ranging from 11 to 45 percent. These margins are based on price comparisons made during the first quarter of 1979. Petitioner alleges that by reason of these LTFV sales, imports from Canada have increased.

1/ Headnote 3, pt. 10(A), schedule 1, of the Tariff Schedules of the United States.

Prior to the expiration of the Sugar Act on December 31, 1974, the importation of refined sugar was virtually prohibited. With the expiration of the Sugar Act, imports of refined sugar from Canada increased from 1 ton in 1974 to 138,000 tons in 1977, the equivalent of about 4 percent of the primary distribution of sugar in the NE/EGL area by domestic producers. Although imports of refined sugar decreased in 1978 to 98,000 tons, this decrease is at least partially explained by the large tonnage imported at the end of 1977 to avoid the fees which were to be imposed under section 22 of the Agricultural Adjustment Act, as amended, effective January 1, 1978. Monthly import figures show that imports of refined sugar from Canada during the first quarter of 1979 were three times as much as in the first quarter of 1978 and twice as much as in the first quarter of 1977.

Information developed during the Commission's inquiry indicates that production by NE/EGL area producers declined from 1977 to 1978. There are also indications that employment and man-hours worked decreased and the profitability of these producers declined by more than 50 percent from 1977 to 1978.

The petitioner has contended that the alleged LTFV imports have caused it to lose sales. In particular, petitioner alleges that it has lost sales to industrial users of refined sugar such as soft-drink bottlers in Western New York State. There are also allegations of sales lost by domestic producers in Michigan.

In order for the Commission to make a determination under section 201(c) of the Antidumping Act that an investigation should be terminated it must find that there is "no reasonable indication" of injury, or likelihood of injury by reason of the importation of the subject merchandise alleged to have been sold at LTFV. Thus, in an inquiry under section 201(c) the

threshold for determining that an investigation should continue is lower than that which is ultimately required for a determination of injury under section 201(a). In our judgment, the criteria for terminating the Treasury investigation before petitioner has had an opportunity to fully present its case have not been satisfied. There are reasonable indications of injury or likelihood of injury by reason of alleged LTFV sales including increased market penetration, declining profitability, and underselling. On the basis of these factors and the applicable statutory criteria, we have determined that this investigation should not be terminated.

STATEMENT OF REASONS FOR COMMISSIONERS ALBERGER AND STERN

Determination

On the basis of the information developed during the course of this inquiry, we determine that there is a reasonable indication that an industry in the United States is being or is likely to be injured 1/ by reason of the importation of sugar into the United States from Canada allegedly sold at less than fair value (LTFV) as indicated by the Department of the Treasury.

Statutory Criteria of Section 201(c)(2)

Section 201(c)(2) of the Antidumping Act, 1921, as amended, under which this inquiry is being conducted, states, in effect, that if the Secretary of the Treasury (Treasury) concludes, during a preliminary investigation under the Antidumping Act, that there is substantial doubt regarding possible injury to an industry in the United States, he shall forward to the U.S. International Trade Commission (Commission) his reasons for such doubt. Upon receipt of the Secretary's reasons, the Commission shall, within thirty days, determine whether there is no reasonable indication that an industry in the United States is being or is likely to be injured, or is prevented from being established, by reason of the importation of merchandise allegedly sold in the United States at less than fair value. In making its determination in this inquiry, the Commission developed

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1/ Prevention of establishment of an industry in this inquiry is not in question and will not be discussed further in these views.

information from various sources and did not consider the information received from Treasury as determinative.

The Imported Article and the Domestic Industry

The imported article that is the subject of this inquiry is sugar from Canada imported under items 155.20 and 155.30 of the Tariff Schedules the United States (TSUS). Virtually all of the imports consist of refined sugar which competes directly with domestically refined sugar over a geographic area spreading from Michigan to New England. The domestic product is refined in locations over the entire length of the United States. Almost all refined sugar produced along the Northeast Atlantic Seaboard is refined from raw cane sugar imported into the United States from countries other than Canada. In Michigan and Ohio, and elsewhere in the United States, refined sugar is produced either from raw cane sugar or directly from sugar beets.

The petitioner claims that virtually all imports of sugar from Canada are sold in the United States at less than fair value (LTFV) and that the LTFV margins average 24 percent of the Canadian home-market price for bulk sugar and 13 percent of the Canadian home-market price for 5-pound bags of sugar.

A Reasonable Indication of Injury

In a thirty-day inquiry, to assess whether there is a reasonable indication of injury by reason of imports allegedly sold at less than fair value, the Commission relies on the same indicators as it does in a full-scale ninety-day investigation. Although the statutes give the Commission no specific direction on what factors to consider, the Senate Report on the Trade Act of 1974 (which amended the Antidumping Act of 1921), suggests we consider suppression or depression of prices, lost sales, and penetration of the U.S. market. Additionally, the Commission traditionally considers production, capacity, capacity utilization, consumption, inventories, employment, profits, and foreign capacity to produce for export. In this inquiry, we found reasonable indications of price depression or suppression, increased market penetration, declining profits, and reduced employment, particularly in one geographic area, 1/ where over 99 percent of Canadian sugar enters the United States and is consumed. Other indicators do not contradict this finding. Some do not indicate clear injury at a national level and all are based on unconfirmed, preliminary and/or incomplete data.

As in all such thirty-day cases, the period surveyed is necessarily limited by considerations of time and inconvenience to the respondents incurred in collecting data. In this inquiry, data were solicited for five years, 1974-1978. Analysis is complicated by the fact that 1974 was

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1/ The Northeastern/Eastern Great Lakes (NE/EGL) area, in addition to the District of Columbia, consists of the States of Connecticut, Delaware, Maine, Maryland, Massachusetts, Michigan, New Hampshire, New Jersey, New York, Ohio, Pennsylvania, Rhode Island, and Vermont. Should this case come back to the Commission, before approaching the issue on a regional basis, we would look at the regional criteria we applied in Sugar from Belgium, France, and West Germany, Investigation No. AA1921-198, 199, and 200 (May 1979).

an exceptionally good year for the sugar industry. However, in making a determination under Section 201(c)(2), the Commission need only consider whether a "reasonable indication" of injury, or the likelihood thereof, exists, even if later examination of the full record mitigates against a final injury determination.

Capacity of the five domestic cane sugar refiners and beet sugar processors responding to Commission questionnaires increased gradually from 3.8 million short tons in 1974 to 4.0 million tons in 1977 and 1978. These producers accounted for about 35 percent of U.S. production of refined sugar in 1978. However, reported capacity in the Northeastern/Eastern Great Lakes (NE/EGL) area declined irregularly by about 5 percent during the same period.

In 1978, production of refined sugar by the five respondents, which account for an estimated 35 percent of total U.S. production, was 6.6 percent below the peak year of 1974. However, in the NE/EGL area, 1978 production was twenty percent below the level achieved in 1974.

Capacity utilization by the five reporting producers fell from full utilization in 1974 to 85 percent in 1975, but rose to an average of 93 percent during 1976-78. Those responding producers in the NE/EGL area reported approximately the same trends as were indicated for all U.S. producers, but experienced slightly lower capacity utilization in 1978.

Domestic consumption of refined sugar, as measured by the primary distribution of the domestic and imported products, fell from 10.5 million short tons in 1974 to 9.3 million tons in 1975, increasing to 10.5 million tons in 1977, and falling again to 10.1 million tons in 1978.

U.S. producers' shipments of refined sugar, measured by primary distribution of the U.S.-produced product, generally follow the trends reported for consumption. Shipments fell in 1975 from the peak in 1974, rebounded almost completely in 1977, only to fall again in 1978 to a level four percent below the level reached in 1974. U.S. producers' shipments by NE/EGL area producers followed the same trend, but in 1978 were nine percent below the level set in 1974.

Yearend inventories of refined sugar by all refiners and processors that responded to the Commission's questionnaires rose from 300,000 short tons in 1974 to 539,000 tons in 1976 but fell in 1978 to 486,000 tons. Yearend inventories of refined sugar held by reporting producers in the NE/EGL area increased by nearly 40 percent from 1975 to 1977, but fell by 14 percent in 1978.

The average number of production and related workers employed in the production of refined sugar by four U.S. producers that reported such data to the Commission increased irregularly from 5,700 workers in 1974 to 6,500 workers in 1978. Employment by reporting firms in the NE/EGL area, however, showed a downward trend during the same period.

The partial data available to the Commission indicate that responding domestic sugar producers who principally sell their products in the NE/EGL area in competition with Canadian imports have experienced a decline in net profits in recent years. Such a decline may be at least partly attributable to the influx of Canadian sugar in 1977 and 1978. The principal area in which competition from the alleged LTFV imports occurs is in the NE/EGL area,

which is supplied primarily by cane sugar refiners located on the Northeast Atlantic Seaboard and by sugar beet processors in Ohio and Michigan. If this case returns for a final determination, we will need much more complete information on the industry's profits for the nation as well as for this geographic area.

Market penetration by alleged LTFV imports from Canada rose from one short ton in 1974 to 138,000 tons in 1977, and then declined to 98,000 tons in 1978. Nearly 60 percent of the imports during 1977 occurred during the last four months of the year, taking advantage of exemptions from import fee increases proclaimed under Section 22 of the Agriculture Adjustment Act in 1977. The Section 22 fee increases became effective on January 1, 1978. Imports from Canada during the latter months of 1978 have been relatively high compared to the same months in earlier years; during January-March 1979, they were nearly triple the level of imports during the corresponding period of 1978 and more than double the level of imports during the corresponding period of 1977. Our data indicate that imports from Canada have been increasing their penetration of the U.S. market. The ratio of imports of sugar from Canada to consumption of sugar in the United States rose from a negligible level in 1974 to 1.3 percent in 1977 and 1.0 percent in 1978, while in the NE/EGL area the ratio of imports from Canada to consumption (primary distribution) of sugar rose from an insignificant level in 1974 to an average of 3.4 percent in 1977-78. It appears that the penetration for the first three months of 1979 may be even higher.

Lost sales in the Northeast have been alleged by the petitioner, but these have not been verified.

Canadian sugar allegedly has been sold for export to the United States at prices significantly below those of sales to Canadian markets. Prices reportedly received by the petitioner on its sales of refined sugar are significantly lower in areas of heavy concentration of the Canadian imports than in areas which are not so heavily penetrated. This may indicate price suppression or depression. In the Detroit area, some Canadian sugar has reportedly been sold at prices below the price-support level.

With respect to the likelihood of injury, there is a possibility that declining sugar consumption in Canada and the present underutilization of Canadian refineries may result in increased sales of Canadian sugar which may be sold at LTFV margins on the U.S. market. Such increased sales could result in further increases in market penetration and present a possibility of injury in the future.

Conclusion

There are reasonable indications of reduced employment, declining profits, increased market penetration, and price suppression or depression, particularly in the NE/EGL area. It is conceivable the Commission could find that a regional market exists consisting of all or part of the NE/EGL area where import penetration is highest and that injury may be found in such a region. In this inquiry, we have relied on data for the entire

area because the petitioner has claimed that this was the relevant impacted region. It appears that factors which have led the Commission in previous instances to find injury to a regional industry may be present, and we should not dismiss such a possibility. Therefore, based on our present information, we must conclude that there is a reasonable indication of injury by reason of possible LTFV imports from Canada.

INFORMATION OBTAINED IN THE INQUIRY

Summary

On May 1, 1979, the United States International Trade Commission instituted inquiry No. AA1921-Inq.-27 on sugar dutiable under items 155.20 and 155.30 of the Tariff Schedules of the United States after receiving advice from the Department of the Treasury on April 25, 1979, that there is substantial doubt that imports of the subject merchandise from Canada alleged to be sold at less than fair value are the cause of present or future injury to an industry in the United States. Treasury's advice is consequent to a preliminary antidumping investigation begun on March 19, 1979, upon receipt of a complaint from counsel for Amstar Corp. The petitioner contends that, because of the importation of sugar from Canada sold at less than fair value, it and other domestic producers are being injured by reason of lost sales, price suppression and depression, reduced employment, and declining profitability.

About 55 percent of the sugar consumed in the United States comes from domestic sources (30 percent from sugar beets and 25 percent from sugar cane) and 45 percent comes from foreign sources. Most of the imports are of raw cane sugar; however, most of the imports from Canada are of refined cane sugar.

The leading suppliers of U.S. raw and refined sugar imports, which totaled 4.7 million tons 1/ in 1978, are the Philippines, the Dominican Republic, and Brazil. Canada is a somewhat minor supplier: imports from Canada increased from 1 ton in 1974 to 40,000 tons in 1975, to 49,000 tons in 1976, to 138,000 tons in 1977, and declined to 98,000 tons in 1978. It is, however, the principal supplier of refined cane sugar. The average alleged margin of sales at less than fair value for sugar from Canada is 24 percent for bulk sugar and 13 percent for sugar in 5-pound bags, on the basis of the Canadian home-market price.

1/ Unless otherwise specified, the term "tons" as used in this report refers to short tons of 2,000 pounds each.

Total U.S. inventories of sugar increased from 2.9 million tons in 1974 to more than 4.5 million tons in 1977. In 1978, U.S. inventories were 4.0 million tons. Yearend refined sugar inventories of two cane sugar refiners which sell * * *.

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During the period 1960-73, annual U.S. consumption of sugar increased from 9.5 million to 11.8 million tons, raw value. Consumption then dropped sharply to 10.2 million tons in 1975 following the increase in sugar prices to record levels toward the end of 1974. Total sugar consumption rose to 11.4 million tons in 1977, and then declined to 11.0 million tons in 1978. As a share of the primary distribution of sugar to all U.S. markets by mainland producers, all imports from Canada increased from a negligible level in 1974 to 1.3 percent and 1.0 percent in 1977 and 1978, respectively.

Virtually all U.S. imports of sugar from Canada enter through customs districts in the Northeastern/Eastern Great Lakes (NE/EGL) area, where it is alleged that domestic refiners have lost sales to such imports resulting in injury to U.S. refiners. As a share of the primary distribution of sugar in the NE/EGL area that was produced in U.S. mainland operations, imports from Canada entering through customs districts in the NE/EGL area increased from an exceedingly minor level in 1974 to 3.8 percent and 2.9 percent in 1977 and 1978, respectively. The refiners that sell most of their cane sugar output to markets * * *.

Introduction

On April 25, 1979, the United States International Trade Commission received advice from the Department of the Treasury that there is substantial doubt that an industry in the United States is being or is likely to be injured by reason of the importation of sugar from Canada that may be sold in the United States at less than fair value (LTFV) within the meaning of the Antidumping Act, 1921, as amended. 1/ Accordingly, on May 1, 1979, the Commission instituted inquiry No. AA1921-Inq.-27 under section 201(c) of said act to determine whether there is no reasonable indication that an industry in the United States is being or is likely to be injured, or is prevented from being established, by reason of the importation into the United States of sugar from Canada provided for in items 155.20 and 155.30 of the Tariff Schedules of the United States (TSUS). By statute, the Commission must render its determination within 30 days of its receipt of advice from Treasury--in this case by May 25, 1979.

In connection with the investigation, a public hearing was held in Washington, D.C., on May 10, 1979. Notice of the institution of the inquiry and the public hearing was given by posting copies of the notice at the Office of the Secretary, U.S. International Trade Commission, Washington, D.C., and at the Commission's office in New York City, and the notice was printed in the Federal Register on May 3, 1979 (44 F.R. 25950). 2/

Treasury's advice is consequent to a preliminary antidumping investigation it initiated in response to a petition it received on March 19, 1979, from counsel for Amstar Corp. The petitioner contends that, because of the importation

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1/ Treasury's letter of notification to the U.S. International Trade Commission is presented in app. A.

2/ A copy of the Commission's notice of inquiry and hearing is presented in app. B.

of sugar from Canada, the sugar-producing industry in the Northeastern/Eastern Great Lakes (NE/EGL) area 1/ is being injured by reason of lost sales in its regional market, where the bulk of the alleged LTFV imports have been sold.

In the event that the U.S. International Trade Commission finds in the affirmative--that there is no reasonable indication that an industry in the United States is being or is likely to be injured, or is prevented from being established, by reason of the importation of sugar from Canada that may be sold at less than fair value--Treasury's investigation as to the fact or likelihood of sales at LTFV will be terminated. If the Commission finds in the negative, Treasury's investigation will continue. The Commission reported to the President on sugar in investigation No. TA-201-16 on March 17, 1977, and in investigation No. 22-41 on April 17, 1978. With respect to sugar from the European Community (EC), the Commission reported to Treasury in inquiries Nos. AA1921-Inq.-20, 21, and 22 on September 17, 1978, and in investigations Nos. AA1921-198, 199, and 200 on May 16, 1979.

Description and Uses

Treasury stated in its notice that the sugar under consideration includes sugars and sirups provided for in items 155.20 and 155.30 of the TSUS. Raw and refined sugar are classified in TSUS item 155.20, and liquid sugar and other sugar sirups, in item 155.30.

Sugar is derived from the juice of sugar cane or sugar beets. It is present in these plants in the form of dissolved sucrose. Most sugar is marketed to consumers in refined form as pure granulated or powdered sucrose. Substantial quantities also reach consumers as liquid sugar (sucrose dissolved in water) or in forms not chemically pure, such as brown sugar and invert sugar sirups, or as blends of sucrose with simpler sugars such as glucose and fructose.

1/ For the purposes of this inquiry, the NE/EGL area includes Connecticut, Delaware, the District of Columbia, Maine, Maryland, Massachusetts, Michigan, New Hampshire, New Jersey, New York, Ohio, Pennsylvania, Rhode Island, and Vermont.

Sugar cane is a perennial subtropical plant which is cut and milled to obtain sugar cane juice. Through a process of filtering, evaporating, and centrifuging this juice, a product consisting of large sucrose crystals coated with molasses, called raw sugar, is produced. Raw sugar derived from sugar cane is the principal "sugar" actually shipped in world trade. However, most of the sugar imported into the United States from Canada is refined sugar. Raw sugar is generally refined near consumption centers through additional processes of melting, filtering, evaporating, and centrifuging to yield the refined white (100 percent pure sucrose) sugar of commerce.

Sugar beets are annual temperate zone plants usually grown in rotation with other crops to avoid disease and pest problems that result from growing two beet crops successively in the same field. Most sugar beets, including those grown in the United States, are converted directly into refined sugar; sugar beets grown in some countries, however, are used to produce a product known as raw beet sugar. The refined sugar product derived from sugar beets is not distinguishable from that of sugar cane inasmuch as both are virtually chemically pure sucrose.

The overwhelming use of sugar in the United States is for human consumption, although some is used in specialty livestock feeds and in the production of alcohol. Sugar is primarily a caloric sweetening agent, but it also has preservative uses. In the United States, about one-third of the sugar consumed goes to household users and two-thirds, to industrial users. There is currently little nonfood use of sugar in the United States and even less, proportionately, in the rest of the world.

U.S. Customs Treatment

U.S. tariff

The TSUS does not attempt to separately identify sugars, sirups, and molasses by name for classification purposes. Rather, products of this description are

classified in accordance with their physical and chemical properties regardless of the name by which a particular product may be called. Under the description "sugars, sirups, and molasses, derived from sugar cane or sugar beets, principally of crystalline structure or in dry amorphous form" (TSUS item 155.20) are classified all the solid sugars of commerce, including raw and refined sugar.

Pursuant to Presidential Proclamation No. 4539, issued November 11, 1977, the column 1 rate of duty for TSUS item 155.20 was established at 2.98125 cents per pound less 0.0421875 cent per pound for each degree under 100 degrees (and fractions of a degree in proportion) but not less than 1.9265625 cents per pound. By general headnote 4(b) of the TSUS, the column 2 rate was established at the same level. The rate formula provides a duty of 2.8125 cents per pound for 96 degree raw sugar. All countries exporting sugar to the United States are subject to these rates of duty except for certain countries eligible for duty-free treatment under the Generalized System of Preferences (GSP).

Sugars, sirups, and molasses, derived from sugar cane or sugar beets, not principally of crystalline structure and not in dry amorphous form, containing soluble nonsugar solids (excluding any foreign substance that may have been added or developed in the product) equal to 6 percent or less by weight of the total soluble solids, are classified for tariff purposes in TSUS item 155.30. Articles imported under this description are primarily liquid sugar and invert sugar sirups. Articles classified under TSUS item 155.30 are dutiable on total sugars at the rate per pound applicable under item 155.20 to sugar testing 100 degrees. All designated beneficiaries under the GSP are eligible for duty-free treatment on imports under TSUS item 155.30.

Import quotas

On November 16, 1974, when the President, by Proclamation No. 4334, established rates of duty for sugar provided for in TSUS items 155.20 and 155.30 pursuant to headnote 2, part 10A, schedule 1, of the TSUS, he also established an annual global quota on such sugar imports of 7 million tons, 1/ raw value. At that time it was announced that the quota was not intended to be restrictive on normal import levels. On November 30, 1978, the President signed Proclamation No. 4610, which lowered the quota to 6.9 million tons, raw value. The quota included 210,987 tons for the products of Taiwan and 150,544 tons for the products of all countries not parties to the International Sugar Agreement, 1977, for the calendar years 1978 and 1979. The quota for Taiwan has not yet been filled; however, at the time of the proclamation, the quota for nonmembers of the International Sugar Agreement had already been overfilled, which in effect made the quota restriction an embargo on further imports from such countries through December 31, 1979. Canada is a participant in the International Sugar Agreement and, thus, is subject to the global quota.

Section 22 fees

Presidential Proclamation No. 4547, issued January 20, 1978, pursuant to section 22 of the Agricultural Adjustment Act, as amended, provided for additional import fees on certain sugars in TSUS items 155.20 and 155.30. 2/ For sugar provided for in item 155.20 that was to be further refined or improved in quality, the additional fee under TSUS item 956.15 was 2.70 cents per pound. For sugar provided for in item 155.20 that was not to be further refined or

1/ As used in this report, the term "ton" refers to a short ton of 2,000 pounds unless specifically stated otherwise.

2/ The additional fees applied under sec. 22 do not apply to sugar entered for the production of polyhydric alcohols (i.e., manitol and sorbital) not for use in human consumption and may not exceed 50 percent ad valorem. U.S. sugar imports from all countries, including designated beneficiaries under the GSP, are subject to the additional fees.

improved in quality, and for sugar provided for in item 155.30, the additional fee under TSUS [illegible] 956.05 and 957.15 was 3.22 cents per pound. These fees were established under emergency powers of the President pursuant to section 22 pending receipt by the President of a report on sugar from the U.S. International Trade Commission (issued April 17, 1978) and his action thereon.

On December 28, 1978, the President signed Proclamation No. 4631 pursuant to section 22, which established a system for assessing variable import fees on sugar to be managed by the Secretary of Agriculture and provided for additional import fees on certain sugars in TSUS items 155.20 and 155.30. (See footnote 2 on previous page.) The system provides for a quarterly adjustment of import fees based upon world prices of sugar for the 20 consecutive market days preceding the 20th day of the month preceding each calendar quarter, and an automatic adjustment whenever the world price of sugar plus duties, fees, and attributed c.i.f. costs varies from a price objective of 15 cents per pound by more than 1 cent per pound. On the basis of this system, the Secretary of Agriculture established fees for the first quarter of 1979 of 3.35 cents per pound for TSUS item 956.15 and 3.67 cents per pound for TSUS items 956.05 and 957.15. For the second quarter of 1979, beginning April 1, 1979, fees were adjusted downward to 2.76 cents per pound for TSUS item 956.15 and 3.28 cents per pound for TSUS items 956.05 and 957.15. The basis world price that was used to compute the fees in the first quarter of 1979 was 7.94 cents per pound; for the second quarter of 1979 the basis world price was 8.53 cents per pound. As of May 15, 1979, however, the world price was about 7.74 cents per pound.

Countervailing duties on imports from the EC

On July 30, 1978, the U.S. Customs Service announced a final countervailing duty determination that sugar from the EC provided for in items 155.20 and 155.30 which benefited from bounties or grants was being entered into the United States. Such sugar, imported directly or indirectly from the EC, if entered or withdrawn from warehouse for consumption on or after July 31, 1978, is subject to payment of countervailing duties equal to the net amount of any bounty or grant determined or estimated to have been paid or bestowed. The net amount of such bounties or grants was ascertained and estimated to be 10.8 cents per pound of sugar. Belgium, France, and West Germany are the only known sources of such sugar from the EC.

Antidumping duties on imports from the EC

On May 16, 1979, the U.S. International Trade Commission reported to the Secretary of the Treasury its unanimous determinations that an industry in the United States is being injured by reason of the importation of sugar from Belgium, France, and West Germany, provided for in items 155.20 and 155.30 of the TSUS, which the Department of the Treasury had determined was being, or was likely to be, sold at less than fair value within the meaning of the Antidumping Act, 1921, as amended. The Commission's determinations will result in the imposition of dumping duties on imports from the countries in question entered on or after February 12, 1979. The weighted average dumping margin found by Treasury for the three countries in question ranged from 51 to 55 percent of the home-market prices. Any dumping duties assessed in the absence of changes in the margins found by Treasury, however, would be less than the countervailing duty of 10.8 cents per pound applicable to most imports of EC sugar if the countervailing duty were applicable to future import shipments. The Commission estimate of current EC home-market value of 20.69 cents a pound, however, would probably result in the dumping duty assessment's being higher than the countervailing duty.

Nature and Extent of Alleged LTFV Sales From Canada

On March 19, 1979, counsel for Amstar Corp., a major U.S. refiner, complained to Treasury that Canadian sugar was being sold in the United States at less than fair value, and that such sales were injurious to Amstar Corp. and other sugar producers. The complainant provided price comparisons for bulk sugar and for 5-pound bags of granulated sugar. According to the complainant, for bulk sugar the Canadian home-market price has recently averaged 14.59 cents per pound, the price of Canadian sugar exported to the U.S. market has averaged 11.05 cents per pound, and the LTFV margin, therefore, has averaged 3.54 cents per pound. As calculated according to Treasury methods, the LTFV margin for bulk sugar (when divided by the export price to the U.S. market) would be 32 percent; as calculated according to U.S. International Trade Commission methods, the average LTFV margin (when divided by the home-market price) would be 24 percent. According to the complainant, for sugar in 5-pound bags the Canadian home-market price has recently averaged 17.33 cents per pound, the price of Canadian sugar exported to the U.S. market has averaged 15.13 cents per pound, and the LTFV margin, therefore, has averaged 2.20 cents per pound. As calculated by Treasury, the LTFV margin for 5-pound bags of Canadian sugar has been 15 percent of the export price; as calculated by the U.S. International Trade Commission, the margin has amounted to 13 percent of the home-market price.

The home-market prices used by the complainant are the prices at which bulk sugar had been offered for consumption in Canada, f.o.b. Toronto. In computing the export prices of sugar from Canada, the petitioner adjusted actual prices by grade differences, if any, and deducted import duties, import fees, and freight when a delivered price was quoted. No allowance was made to reduce LTFV margins to give effect to drawback of Canadian duties on sugar imported into Canada and subsequently exported.

The petitioner claims that all the imports from Canada represent lost sales to U.S. producers, particularly to those producers marketing their products in the NE/EGL area. Imports of sugar from Canada entering through customs districts in the NE/EGL area as a share of the primary distribution of sugar in the NE/EGL area by continental U.S. cane sugar refiners, beet sugar processors, and cane mills increased from a negligible percentage in 1974 to an estimated 3.8 and 2.9 percent in 1977 and 1978, respectively (table 1 in app. C).

The Domestic Industry

About 55 percent of the sugar consumed annually in the United States comes from domestic sources (30 percent from sugar beets and 25 percent from sugar cane) and 45 percent, from foreign sources (virtually all cane).

U.S. sugar beet growers and beet sugar processors

Sugar beets are currently produced in 18 States. The number of farms producing sugar beets in 1977/78 most likely increased from the 12,000 farms producing sugar beets in 1973/74 (the last year for which official statistics are available). Sugar beets are grown by farmers under contract to beet sugar processors. The contracts generally call for growers to deliver beets from a given acreage to processors and for processors to reimburse the growers on a basis which includes a percentage of the return processors receive from the

sale of the refined sugar. In 1976 there were 58 beet sugar factories owned by 13 companies or cooperatives scattered throughout the sugar-beet-producing regions in the United States. The 58 factories had a daily processing capacity of about 200,000 tons of sugar beets.

There are eight beet-sugar-processing plants that produce refined beet sugar in the NE/EGL area. The four companies operating these eight plants, and the locations of the plants, are as follows:

Company	Location of plant
Buckeye Sugars Inc	Ottawa, Ohio
Michigan Sugar Co	Caro, Mich.
	Carrollton, Mich.
	Croswell, Mich.
	Sebewaing, Mich.
Monitor Sugar Co	Bay City, Mich.
Northern Ohio Sugar Co	Findlay, Ohio
	Fremont, Ohio

Hawaiian sugar cane growers and millers

Hawaii is noted for having the highest yields of sugar cane per acre in the world. In 1977, 97,000 acres of sugar cane were harvested in Hawaii from more than 500 farms. About half the acreage is irrigated, and it produces two-thirds of the sugar cane harvested. Five large corporations, often called the five factors, 1/ account for more than 95 percent of the acreage and production of Hawaiian sugar cane through their subsidiary producing and/or milling companies.

More than 95 percent of the raw sugar produced in Hawaii is refined on the U.S. mainland by the California & Hawaiian Sugar Co. (C&H), a cooperative agricultural marketing association. The refining company is owned by 16 Hawaiian raw-sugar-producing and/or cane-milling companies, but also serves as the refiner and marketing agency for independent nonmember sugar cane farmers in Hawaii.

1/ The five factors are C. Brewer & Co., Ltd.; Castle & Cooke, Inc.; Amfac, Inc.; Alexander & Baldwin, Inc.; and Theodore H. Davies & Co., Inc.

[redacted]

Mainland sugar cane growers and millers

Louisiana, Florida, and Texas are the principal mainland States producing sugar cane. The mainland cane-milling industry takes sugar cane from growers and processes it into raw sugar. Because it rapidly becomes more difficult to recover sucrose from sugar cane as the time lengthens between cutting and milling, the cane mills are located close to the producing areas. In 1977/78 some 40 mainland cane-milling companies produced about 1.65 million tons of raw sugar and several byproducts, such as molasses and bagasse.

Puerto Rican sugar cane growers and millers

In the last decade, there has been a severe decline in the number of farms producing sugar cane and in sugar cane production in Puerto Rico. The number of farms declined from 11,608 in 1963/64 to 2,551 in 1973/74 (the last year for which official statistics are available). The bulk of the sugar cane acreage and most of the sugar-cane-processing mills are owned, leased, or contracted for by the Sugar Corporation of Puerto Rico, a quasi-governmental corporation. In 1975/76, 12 sugar cane mills in Puerto Rico had a daily processing capacity of about 55,000 tons of sugar cane.

Cane sugar refiners

There are 22 cane sugar refineries in the continental United States, located mainly on the east and gulf coasts. The 22 cane sugar refineries are operated by 12 companies and 1 cooperative. Traditionally, cane sugar refiners have provided about 70 percent of the refined sugar consumed in the mainland U.S. market. In 1978, U.S. cane sugar refiners produced 7.35 million tons, raw value, of sugar. Cane sugar refiners are the principal users of imports of raw sugar. They obtained about 61 percent of their raw sugar supplies from foreign sources and 39 percent from domestic sources in 1975.

There is no production of raw cane sugar in the NE/EGL area; therefore, cane sugar refiners in that area import raw sugar from other countries to sustain their operations or obtain supplies from raw-sugar-producing areas of the United States. In recent years, imported raw sugar is believed to have accounted for more than 90 percent of the raw sugar used by these operations; the percentage may have been 98 percent in 1978.

Four companies currently operate cane sugar refineries in the NE/EGL area. These four companies, as well as the locations of their eight refineries, are as follows:

Company	Location of refinery
Amstar Corp. 1/	Baltimore, Md.
	Boston, Mass.
	Brooklyn, N.Y.
	Philadelphia, Pa.
National Sugar Refining Co	Philadelphia, Pa.
Revere Sugar Corp	Brooklyn, N.Y.
	Charlestown, Mass.
Refined Syrups & Sugars Inc	Yonkers, N.Y.

1/ Amstar Corp., the petitioner to Treasury, also has a cane sugar refinery at New Orleans, La., a liquid sugar plant at Chicago, Ill., 4 beet-sugar-processing plants in California and 1 in Arizona, and a corn-sweetener plant at Dimmit, Tex.

U.S. importers and sugar operators

Besides the cane sugar refiners, which contract for the bulk of U.S. sugar imports, other importers and sugar operators are involved in the importation of raw, semirefined, or refined sugar. They import sugar and arrange for the sale and delivery of the commodity to buyers (mostly cane sugar refiners). The need for the importers' and sugar operators' services arises because producers cannot always find refiners willing to buy at the

times and locations that producers have sugar to sell and vice versa. The importers' and sugar operators' services consist of financing the transaction, chartering the transportation, arranging for loading, doing import and export documentation, delivering to buyers' docks, and taking the risk of price changes while these procedures are being undertaken. The operators also engage in significant trading in sugar futures markets, and may operate in the world sugar trade outside the U.S. market. In 1974, there were at least 16 sugar operators dealing in raw sugar and an unknown number of importers dealing in refined sugar for direct-consumption sales.

Alternative Sweeteners

The principal alternatives to sugar in sweetener markets are corn-based sweeteners. They are derived from cornstarch by hydrolysis, usually with enzyme processes. The products of this process include anhydrous and monohydrate dextrose and glucose sirups. Corn sweeteners have generally been cheaper than sugar. Because their glucose (dextrose) base is less sweet than sucrose, their application has been limited. However, a recently developed product, high-fructose sirup, is rapidly growing in use and appears to have disturbed the complementarity in use of the other sweeteners. 1/ For example, the soft-drink industry is the largest industrial user of sugar and, although ordinary corn sirups have not made significant inroads into this market, high-fructose sirup appears to be ideally suited for use in soft drinks.

Industry and Government sources indicate that high-fructose sirup could substitute for all sweetener uses that do not specifically require dry crystals. It is unlikely that this will occur, but it has been estimated that high-fructose sirups will eventually supply approximately one-half of the industrial market.

1/ Virtually all high-fructose sirup is produced from corn.

While recent use of corn sweeteners has been limited because of lack of sufficient productive capacity, there are reports of current excess processing capacity, a result of low sugar prices and the coming on stream of new capacity started during the 1974-75 period of very high sugar prices.

There are 11 firms in the U.S. corn-sweetener industry operating 21 plants, most of which are located in the corn-producing States of the Midwest. Eleven of these plants produce high-fructose sirup; the capacity to produce this sweetener has greatly expanded in recent years.

Three companies have corn-sweetener operations in the NE/EGL area, and each of their plants in that area produces high-fructose sirup. The locations of the plants, and the companies operating them, are as follows:

Company	Location of plant
A.E. Staley Manufacturing Co	Morrisville, Pa.
CPC International, Inc	Montezuma, N.Y.
Car-Mi Inc	Dayton, Ohio

U.S. sales of corn sweeteners increased by about one-fourth from 1974 to 1977, rising from 6.1 billion pounds, dry basis, in 1974 to 7.6 billion pounds in 1977. Sales of high-fructose sirup increased more than those of any other corn sweetener during 1974-77, rising from 0.6 billion pounds to 2.1 billion pounds and becoming the principal corn sweetener (on the basis of quantity) produced in the United States (table 2).

Although most of the corn-sweetener plants are located outside the NE/EGL area, large quantities of their products are distributed in that area. Respondents to the U.S. International Trade Commission questionnaires on corn sweeteners--

accounting for about one-fifth of total U.S. sales--shipped 45 percent of their output (765 million pounds) to markets in the NE/EGL area in 1978.

Other caloric sweeteners include molasses, maple sirup, honey, sorghum sirup, lactose, and levulose. Noncaloric sweeteners include saccharin and aspartic-acid-based sweeteners.

Foreign Producers

The European Community, the U.S.S.R., Brazil, India, Cuba, and the United States are the world's leading producers of sugar (table 3). The U.S.S.R., the EC, and the United States are also the world's leading consumers of sugar (table 4), consuming most of their own production, while Brazil, Cuba, and India export significant portions of their output.

In most years, world production of sugar exceeds world consumption of sugar (table 5), resulting in world sugar prices that are generally low. When world consumption exceeds world production for any prolonged period, prices generally rise quickly. During 1974-77, world production was in excess of world consumption by increasing amounts in each year. In 1978, production in excess of consumption was about half of that in 1977, but the excess amounted to more than 3 percent of consumption, or 3.3 million tons. This situation has resulted in the current low level of world sugar prices.

In 1978, the leading suppliers of sugar to the United States were the Philippines, the Dominican Republic, Brazil, Argentina, Peru, Australia, and Guatemala (table 6). Although 46 countries supplied sugar to the United States in 1978, the principal suppliers listed above accounted for more than 63 percent

of the total quantity. Canada is a minor supplier, accounting for only 2 percent of total U.S. imports of sugar in 1978. However, Canada is the principal supplier of refined sugar, supplying more than 98 percent of the quantity of such imports in 1978.

Six refineries make up the eastern Canadian sugar-refining industry. The five companies operating the refineries, and the locations of the refineries, are as follows:

Company	Location of refinery
Redpath Sugars Ltd	Montreal, Quebec Toronto, Ontario
Atlantic Sugar	Saint John, New Brunswick
St. Lawrence Sugar	Montreal, Quebec
Cartier Sugar Ltd	Montreal, Quebec
Westcane Sugar Ltd	Oshawa, Ontario

Redpath Sugars Ltd., Atlantic Sugar, and St. Lawrence Sugar are the principal refiners of Canadian sugar exported to the United States.

The estimated production capacity of refineries in Eastern Canada is 85,444 metric tons per month (table 7), or 1,025,328 metric tons per year. During the 12-month period October 1977-September 1978, average monthly production was 76,059 metric tons, or 89 percent of capacity. During 1978, about 10 percent of the production in Eastern Canada was exported to the United States.

The complainant alleges that Cuban raw cane sugar is used in Canadian refineries to produce refined sugar that is exported to the United States. It is alleged that the exportations of that sugar to the United States are used as a basis for claiming drawback of Canadian customs duties on Cuban sugar imported into Canada. The Commission has no evidence to dispute or substantiate

this allegation. Inasmuch as the importation into the United States of all goods of Cuban origin, subject to exceptions established by the Secretary of the Treasury, are prohibited, Treasury has been requested to conduct an investigation to determine whether the importation of refined cane sugar from Canada is in violation of U.S. law. Under current manufacturing economics and refinery operating procedures, the petitioner believes that it is practically impossible for Canadian refiners to segregate their output of refined sugar by the country of origin of the raw sugar used in the refinery process.

U.S. Capacity, Production, and Capacity Utilization

The annual capacity to produce refined sugar, as reported by respondents to Commission questionnaires, which accounted for about 65 percent of U.S. production of refined sugar in 1978, increased from 7.6 billion pounds in 1974 to 7.9 billion pounds in 1978 (table 8). 1/ * * *

During 1975-78, total U.S. refined sugar production of questionnaire respondents steadily increased from 6.6 billion pounds in 1975 to 7.5 billion pounds in 1978. Production in 1974 was 8.0 billion pounds. Production by NE/EGL area refiners * * *. * * *

The indicated capacity utilization of all questionnaire respondents declined from 105 percent in 1974 to 85 percent in 1975, and increased thereafter to 94 percent in 1978. NE/EGL area refiners * * *. * * *

1/ Capacity is an estimate that is not a true indication of maximum output at any one point in time. Data are for five refiners.

U.S. Producers' Inventories

Monthend stocks of cane sugar refiners, beet sugar processors, importers of direct-consumption sugar, mainland cane mills, and total U.S. inventories of sugar during 1974-78 are listed in table 9. In 1978, monthend stocks of cane sugar refiners were about 1.6 times as much as their stocks during 1974-76. The increase is reflected in their inventories of both raw and refined sugar, which totaled 1.4 million tons at the end of December 1978. The inventories of beet sugar processors and mainland cane sugar mills fluctuate widely during the year depending upon the growing season for sugar beets and sugar cane. The monthly stock levels of refined sugar by beet sugar processors gradually rose from 1974 to 1977, and then subsided somewhat in 1978 when they were generally 85 to 90 percent of the respective monthend inventories in 1977. The December 1978 inventory of beet sugar processors was 1.6 million tons. During 1974-78, monthend stocks held by mainland cane sugar mills experienced a steady upward movement in comparison with respective months from 1 year to the next, and the 12-month average for 1978 was 3.3 times as much as the 1974 average. The mainland cane sugar mills had a 1978 ending inventory of 0.8 million tons of raw sugar.

Monthly total stocks of sugar producers gradually increased, when comparing respective months from 1 year to the next, during 1974-78, with the 1978 monthly stocks averaging about 1.6 times those of 1974. The ratios of total yearend inventories to U.S. distribution (shipments) of sugar during 1974-78 were 25, 27, 31, 39, and 34 percent, respectively.

Inventories held by importers of direct-consumption sugar (virtually all of which is refined) were negligible or nonexistent during January 1974-November 1977, but then increased to 91,000 tons in December 1977, or 4.3 per-

cent of the total inventory of refined sugar. These inventories, believed to be mostly of Canadian sugar, steadily declined and were zero in November-December 1978.

Yearend inventories of refined sugar by all refiners and processors that responded to questionnaires of the U.S. International Trade Commission increased from 472 million pounds in 1973 to 1,077 million pounds in 1976, declining thereafter to 972 million pounds in 1978. Yearly inventories from 1973 to 1978 were as follows:

Year	Inventories (million pounds)
1973	472.2
1974	599.8
1975	873.2
1976	1,077.4
1977	1,031.8
1978	971.9

Respondents to questionnaires of the U.S. International Trade Commission indicated that for cane sugar refiners selling mostly to markets in the NE/EGL area, inventories of refined sugar varied from * * * million pounds in 1973 to * * * million pounds in 1977. 1/ Inventories during 1973-78 of the two companies supplying such data were as follows:

Year	Inventories (million pounds)
1973	***
1974	***
1975	***
1976	***
1977	***
1978	***

Yearend inventories of refined sugar by refiners and processors selling mostly to markets outside the NE/EGL area, mainly beet sugar processors, were significantly greater than those of cane sugar refiners selling mostly to NE/EGL area markets. Their inventories during 1973-78 were as follows:

1/ Includes data for Amstar Corp.'s cane sugar refinery located in New Orleans, La.

Year	Inventories (million pounds)
1973	***
1974	***
1975	***
1976	***
1977	***
1978	***

U.S. Employment in Cane-Sugar-Refining and Beet-Sugar-Processing Operations

The number of production and related workers employed in producing refined sugar in the four cane-sugar-refining and beet-sugar-processing firms that responded to the Commission's questionnaires rose from 5,728 workers in 1974 to 6,451 workers in 1976, fell to 6,324 workers in 1977, and rose to 6,529 workers in 1978, its highest level of the period (table 10). The average number of production and related workers in cane-sugar-refining operations of Amstar Corp.'s NE/EGL area refineries * * *, * * *

The person-hours worked by production and related workers employed by the four respondents in their sugar-refining operations increased from 12.6 million hours in 1974 to 13.9 million hours in 1976, fell slightly to 13.4 million hours in 1977, and rose again to 13.9 million hours in 1978 (table 11).

The person-hours worked by production and related workers employed in cane-sugar-refining operations of Amstar Corp.'s NE/EGL area refineries * * *, * * * The productivity of the workers of Amstar Corp. during 1974-78 is as follows (in pounds of refined sugar produced per hour of employment of production and related workers):

Year	Productivity
1974	***
1975	***
1976	***
1977	***
1978	***

The number of person-hours worked by production and related workers in the beet-sugar-processing operations of Amstar Corp. and the refining operations of three other sugar producers * * *. * * * The productivity of the workers in these operations during 1974-78 is as follows (in pounds of refined sugar produced per hour of employment of production and related workers):

Year	Productivity
1974	***
1975	***
1976	***
1977	***
1978	***

Financial Performance of Domestic Producers

Six firms--accounting for 40 percent of U.S. production of refined sugar in 1978--responded to the Commission's questionnaires regarding their profit-and-loss experience. Net sales of the six firms increased from $1.7 billion in 1974 to $2.4 billion in 1975 but fell to $1.3 billion in 1977 and 1978. Net profit before taxes for the six firms increased from $70.2 million in 1974 to $128.1 million in 1975, but fell to $42.6 million in 1977 and $3.5 million in 1978, as shown in table 12.

The two respondents that sell their sugar mostly to markets in the NE/EGL area reported that their net sales of sugar * * *.

* * * * * * *

Ratios of net profit or (loss) before income taxes to net sales on sugar refining operations, by areas of major sales, accounting years 1974-78

(In percent)

Year	Northeastern/Eastern Great Lakes area 1/	Other 2/	Total
1974	***	***	4.2
1975	***	***	5.4
1976	3/ ***	***	3/ 6.2
1977	***	***	3.3
1978	***	***	.3

1/ Data of 2 cane sugar refiners.

2/ Data of 5 sugar producers.

3/ Includes only 10-month data for 1 refiner whose sales are mostly to markets in the Northeastern/Eastern Great Lakes area.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission by domestic cane sugar refiners and beet sugar processors.

U.S. Consumption and Market Penetration of Imports

During the period 1960-73, annual U.S. consumption of sugar increased gradually from 9.5 million to 11.8 million tons, raw value. However, the rapid increase in prices to record levels toward the end of 1974, followed by continued high prices during much of 1975, caused total U.S. sugar consumption to fall in each of those years--to 11.5 million tons in 1974 and then sharply to 10.2 million tons in 1975. Total sugar consumption recovered in 1977 to 11.4 million tons as prices declined sharply from their 1974 peak, but declined to 11.0 million tons in 1978 (table 13). As shown in table 14, industrial uses account for the majority of sugar consumption--more than 60 percent of the deliveries during 1978.

Primary distribution of U.S.-produced sugar (continental) into the NE/EGL area decreased from 3.7 million tons in 1974 to an estimated 3.4 million tons in 1978 (table 1). 1/ During this period, primary distribution to other States declined from 6.8 million tons to 6.6 million tons. Respondents to questionnaires of the U.S. International Trade Commission indicated sales of refined sugar to U.S. markets during 1974-78 as follows (in millions of tons):

Year	NE/EGL area	Other States	Total
1974----------	***	***	4.35
1975----------	***	***	3.71
1976----------	***	***	4.09
1977----------	***	***	4.16
1978----------	***	***	4.07

Per capita U.S. consumption of sweeteners increased from 129.0 pounds in 1974 to an estimated 134.9 pounds in 1978 (table 15). During this period, however, refined sugar consumption declined from 96.6 pounds per capita in 1974 to an estimated 92.7 pounds per capita in 1978; the share of consumption accounted for by refined sugar steadily declined from 75 percent in 1974 to an

1/ Includes refined sugar of cane sugar refiners and beet sugar processors and direct-consumption sugar of mainland cane mills.

estimated 69 percent in 1978. The increase in per capita consumption of sweeteners resulted from increased use of corn sweeteners, specifically, high-fructose corn sirup, per capita consumption of which increased from 3 pounds, dry basis, in 1974 to an estimated 11 pounds in 1978.

In addition to a decline in per capita consumption of sugar, there was a population decline of 104,000 people in the NE/EGL area of the United States during 1974-77. According to the U.S. Bureau of the Census (in the Statistical Abstract of the United States, 1978), the population in the NE/EGL area in 1974 and 1977 was as follows:

Year	Population (1,000 people)
1974	74,625
1977	74,521

Based upon 1970-75 migration patterns, however, the population in the NE/EGL area is projected to increase to 77.1 million people by 1985.

U.S. imports of sugar from all sources decreased from 5.8 million tons, raw value, in 1974 to 3.9 million tons in 1975, and then increased to a high of 6.1 million tons in 1977. Imports totaled 4.7 million tons in 1978. About 25 percent of the 6.1 million tons imported in 1977 was imported in December to fulfill contracts for delivery in 1978. The large quantity of imports in December 1977 resulted from importers' taking advantage of exemptions from import fee increases proclaimed under section 22 in November 1977.

During 1974-78, the ratio of imports to domestic consumption varied from 38 percent in 1975 to 54 percent in 1977 (table 13). The ratio in 1978 was 42 percent.

Prior to the expiration of the Sugar Act of 1948, as amended, on December 31, 1974, that act and the preceding sugar acts permitted the importation of refined sugar only in nominal quantities. Imports from Canada amounted to only 1 ton in 1974, and then increased to a high of 138,000 tons in 1977, accounting for 1.2 percent of U.S. consumption of sugar. Sugar imports from Canada totaled 98,000 tons in 1978, or 0.9 percent of U.S. consumption.

U.S. imports from Canada predominantly enter through five customs districts for distribution to markets in the NE/EGL area (table 16). 1/ Imports entering through these customs districts accounted for more than 99 percent of the total quantity of imports from Canada in 1978. Almost half of the 1978 imports from Canada entered through the customs district of Buffalo, N.Y. As a share of total sugar imports entering through customs districts in the NE/EGL area, imports from Canada (virtually all refined sugar) increased from a negligible amount in 1974 to 5 percent in 1978.

Imports of sugar from Canada entering through customs districts in the NE/EGL area, as a share of the primary distribution of sugar in the NE/EGL area by mainland producers, increased from a negligible percentage in 1974 to 3.8 percent in 1977, and then decreased to 2.9 percent in 1978 (table 1).

1/ Because import data are obtained from more than one source in order to compile certain types of data, import data shown in this report vary.

Prices

U.S. and world prices

The prices of raw sugar on the world and U.S. markets increased dramatically in 1974 and then declined as abruptly as they had risen (table 17). The average price of sugar delivered in New York increased from 13 cents per pound in January 1974 to a peak of 57 cents per pound in November 1974, then fell to just below 10 cents per pound in September 1976. At that time there was a twofold tariff increase of 1.25 cents per pound and New York-delivered prices remained above 10 cents per pound through October 1977. After the additional duty increase and imposition of section 22 fees announced in November 1977, the price of sugar rose gradually to 14 cents per pound in June 1978, but fell to 13.49 cents per pound in July 1978. During August-December 1978, the price remained above 14 cents per pound, exceeding 15 cents per pound during September and October. During December 1978, the New York price amounted to 14.48 cents per pound. In the first quarter of 1979, despite the increase in import fees, the price in New York remained below 15 cents per pound. In the second quarter of 1979 the fees were reduced and the price fell to 14 cents per pound.

The trend of Northeast wholesale prices of refined sugar was similar (table 18). The wholesale price of refined sugar increased dramatically from about 16 cents per pound in January 1974 to a peak of almost 61 cents per pound in November 1974. The price declined to less than 16 cents per pound in September 1976 and then gradually began to rise and exceeded 22 cents per pound during October-December 1978. Prices of other selected sweeteners 1/ had similar trends. However, prices of high-fructose corn sirup, a major competitor of refined sugar, declined relative to those of refined sugar from levels in

1/ Corn sirup, dextrose, and high-fructose corn sirup.

excess of 80 percent of refined sugar wholesale prices during August 1975-June 1976 to 56 percent or less during August-December 1978.

The dutiable unit value of imports from Canada declined from 48 cents per pound in January 1975 to 12 cents per pound in October-November 1977, and then increased irregularly to more than 14 cents per pound in December 1978 (table 19). During 1975 and 1976, the dutiable unit value of sugar imports from Canada was usually more than 80 percent of the Northeast wholesale price for refined sugar, and in August 1976 it was nearly 100 percent of the Northeast price. The dutiable unit value of imports dropped to less than 80 percent of the Northeast wholesale price of refined sugar in January 1977, and was generally below that level during 1977 and 1978. In fact, it declined to less than 70 percent of the Northeast prices during November 1977 and June-December 1978, and during December 1978, it was 64 percent of the Northeast wholesale price of refined sugar.

Price depression

The petitioner supplied price data (February-March 1979) for different sales areas as an indication of price depression resulting from Canadian imports of sugar. The three areas indicated are upstate New York, which is reported to be seriously affected by imports from Canada; Philadelphia, Pa., which is less seriously affected by imports; and Baltimore, Md., which is relatively unaffected by Canadian imports. The prices at which the following grocery items were recently being sold in the three areas by the petitioner are as follows:

Area	12 5-pound bags of granulated sugar	24 1-pound boxes of 10X confectioners sugar
Upstate New York------	***	***
Philadelphia, Pa------	***	***
Baltimore, Md---------	***	***

Lost Sales

The petitioner claimed that sugar sales were lost to traditional customers in the NE/EGL area. For example, in the Buffalo, N.Y., marketing area, substantially all of its sales of industrial sugar products reportedly have been lost to imports from Canada--a loss estimated to be in excess of 2,500 tons annually. Also, the petitioner has estimated that the domestic industry has lost sales in excess of 5,000 tons to soft-drink bottlers in Western New York. In addition, other large industrial users reportedly have been purchasing substantial quantities of Canadian sugar or purchasing domestic sugar at depressed prices competitive with the prices of imports from Canada.

The petitioner also claimed to have lost sales of 5-pound bags of grocery sugar to imports from Canada. In just one of its account areas, Rochester, N.Y., the petitioner estimated that the domestic sugar industry has lost sales of approximately 2,500 tons annually.

Michigan Sugar Co. has complained repeatedly, since 1976, of low-priced Canadian sugar being sold in its traditional market areas, resulting in lost sales and depressed prices for Michigan Sugar Co. The Canadian sugar is sold, at times, below the Government's support price. Canadian sugar being sold in the Detroit marketing area reportedly accounts for more than 20 percent of Michigan Sugar Co.'s historic share of the Detroit market, a market that formerly consumed about one-third of the sugar production of Michigan Sugar Co. 1/

1/ Transcript of the hearing, pp. 125-131.

Factors Relating to a Regional Approach for Sugar From Canada

Transportation costs for refined sugar are relatively high in relation to its value; therefore, refined sugar is normally shipped to markets within 250-300 miles of refineries in the NE/EGL area. The distance refined sugar can profitably be shipped depends to a large degree on the location of competitors and shipping rates. Refined sugar shipped by water, for example, can be sent a greater distance to compete with other producers than can refined sugar shipped by truck.

At present there appear to be four major marketing regions for refined sugar in the continental United States; the West (basically States west of the Mississippi river), the Southeast, the NE/EGL area, and Chicago. The Chicago market is a national market that obtains refined sugar from all of the other regions.

The refineries located in the NE/EGL area market the bulk of their product therein. An exception to this pattern is Amstar Corp.'s Baltimore refinery, which is on the fringe of the designated NE/EGL area and markets refined sugar in States south and west of Maryland in competition with Southern refineries. Six NE/EGL area refiners responding to questionnaires of the U.S. International Trade Commission indicated sales of * * *. Thus, of the respondents supplying sugar to the NE/EGL area in 1978, the refineries located therein supplied 96 percent of the total.

Less than 0.1 percent of refined Canadian sugar entered the United States outside customs districts in the NE/EGL area, and the Canadian sugar is principally marketed in upstate New York and other States in the NE/EGL area. A small portion of Canadian sugar, however, is believed to be marketed in the Chicago area.

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APPENDIX A

TREASURY'S LETTER OF NOTIFICATION TO THE U.S. INTERNATIONAL TRADE COMMISSION

THE GENERAL COUNSEL OF THE TREASURY
WASHINGTON, D.C. 20220

RECEIVED
'79 APR 25 PM 12:13
OFFICE OF THE SECRETARY
U.S. INTL. TRADE COMMISSION

SECRET
NOTICE
APR 23 1979 #5771
Office of the
Secretary
Int'l. Trade Commission

Dear Mr. Chairman:

In accordance with section 201(c) of the Antidumping Act of 1921, as amended, an antidumping investigation is being initiated with respect to sugars and syrups from Canada. Pursuant to section 201(c)(2) of the Act, you are hereby advised that the information developed during our preliminary investigation has led me to the conclusion that there is substantial doubt that an industry in the United States is being, or is likely to be, injured by reason of the importation of this merchandise into the United States.

The bases for my determination are summarized in the attached copy of the Antidumping Proceeding Notice in this case. Additional information will be provided by the U.S. Customs Service.

Some of the information involved in this case is regarded by Treasury to be of a confidential nature. It is therefore requested that the Commission consider all the information provided for its investigation to be for the official use of the ITC only, not to be disclosed to others without prior clearance from the Treasury Department.

Sincerely,

Robert H. Mundheim

The Honorable
Joseph Parker
Chairman, International
Trade Commission
Washington, D. C. 20436

Enclosure

APPENDIX B

NOTICE OF COMMISSION'S INQUIRY AND HEARING

Sugar From Canada; Inquiry and Hearing

The United States International Trade Commission (Commission) received advice from the Department of Treasury (Treasury) on April 25, 1979, that during the course of determining whether to institute an investigation with respect to sugar provided for in items 155.20 and 155.30 of the Tariff Schedules of the United States from Canada in accordance with section 201(c) of the Antidumping Act, 1921 as amended (19 U.S.C. 160(c)), Treasury had concluded from the information developed during its preliminary investigation that there is substantial doubt that an industry in the United States is being or is likely to be injured, or is prevented from being established, by reason of the importation of this merchandise into the United States. Therefore, the Commission on May 1, 1979, instituted inquiry AA1921–Inq.–27, under section 201(c)(2) of that act, to determine whether there is no reasonable indication that an industry in the United States is being or is likely to be injured, or is prevented from being established, by reason of the importation of such merchandise into the United States.

Public Hearing

A public hearing in connection with the inquiry will be held in Washington, D.C. on Thursday, May 10, 1979, at 10:00 a.m., e.d.t. The hearing will be held in the Hearing Room, United States International Trade Commission Building, 701 E Street, NW., Washington, D.C. All parties will be given an opportunity to be present, to produce evidence, and to be heard at such hearing. Requests to appear at this public hearing, or to intervene under the provisions of section 201(d) of the Antidumping Act, 1921, as amended (19 U.S.C. 160(d)), should be received in writing in the office of the Secretary of the Commission not later than noon Monday, May 7, 1979.

Written statements.

Interested parties may submit statements in writing in lieu of, and in addition to appearance at the public hearing. A signed original and nineteen true copies of such statements should be submitted. To be assured of their being given due consideration by the Commission, such statements should be received not later than Tuesday, May 15, 1979.

Issued: May 1, 1979.

By order of the Commission.

[redacted]

[redacted]

[redacted]

BEST DOCUMENT AVAILABLE

APPENDIX C

STATISTICAL TABLES

Table 1.--Sugar: Primary distribution of U.S.-produced sugar (continental), by areas, and imports from Canada, by areas of customs district of entry, 1974-78

Item	1974	1975	1976	1977	1978
U.S.-produced sugar: 1/					
Northeastern/Eastern Great Lakes (NE/EGL) area----------short tons--	3,727,010	3,169,575	2/ 3,395,000	2/ 3,535,000	3/ 3,390,000
Other----------do----	6,762,133	6,103,160	2/ 6,710,000	2/ 6,817,000	6,637,000
Total----------do----	10,489,143	9,272,735	10,105,000	10,352,000	10,027,000
Imports from Canada: 4/					
NE/EGL area----------do----	1	40,252	48,571	134,679	99,687
Other----------do----	0	64	42	351	93
Total----------do----	1	40,316	48,613	135,030	99,780
Ratio of imports to the primary distribution of U.S.-produced sugar:					
NE/EGL area----------percent--	5/	1.3	1.4	3.8	2.9
Other----------do----	0	5/	5/	5/	5/
Total----------do----	5/	.4	.5	1.3	1.0

1/ Includes refined sugar of cane sugar refiners and beet sugar processors and direct-consumption sugar of mainland cane mills. Compiled from official statistics of the U.S. Department of Agriculture, except as noted.
2/ Estimated by the staff of the U.S. International Trade Commission.
3/ Estimate supplied by the U.S. Department of Agriculture.
4/ Compiled from official statistics of the U.S. Department of Commerce.
5/ Less than 0.05 percent.

Table 2.--Corn sweeteners: U.S. sales, by types, 1972-77

Item	1972	1973	1974	1975	1976	1977 1/
	Quantity (1,000 pounds, dry basis)					
Glucose sirup (corn sirup):						
Type I (20 dextrose equivalent (d.e.) up to 38 d.e.)	313,970	340,922	345,788	354,452	392,306	522,651
Type II (38 d.e. up to 58 d.e.)	1,358,768	1,466,636	1,451,899	1,390,287	1,406,905	1,701,755
Type III (58 d.e. up to 73 d.e.)	1,465,966	1,705,112	1,979,127	2,083,718	2,011,410	1,739,808
Type IV (73 d.e. and above)	233,082	231,980	236,660	250,075	201,734	172,334
High-fructose sirup	246,348	444,095	597,908	1,063,808	1,574,024	2,127,391
Dextrose, hydrous and anhydrous 2/	1,147,030	1,292,352	1,335,242	1,283,841	1,267,091	1,173,406
Glucose sirup solids	107,342	129,558	165,981	158,597	140,290	129,167
	Value (1,000 dollars) 3/					
Glucose sirup (corn sirup):						
Type I (20 d.e. up to 38 d.e.)	12,940	22,063	38,485	51,634	39,870	35,580
Type II (38 d.e. up to 58 d.e.)	55,197	88,657	150,508	198,130	144,163	114,985
Type III (58 d.e. up to 73 d.e.)	57,373	95,702	201,817	294,067	202,563	118,944
Type IV (73 d.e. and above)	12,330	14,206	25,784	36,100	21,312	12,753
High-fructose sirup	22,008	41,772	108,216	237,562	216,407	234,427
Dextrose, hydrous and anhydrous	90,837	108,410	181,499	230,711	163,335	130,893
Glucose sirup solids	9,994	13,017	23,199	27,890	23,917	20,307
Total	260,679	383,837	729,508	1,076,094	811,567	667,889
	Unit value (cents per pound)					
Glucose sirup (corn sirup):						
Type I (20 d.e. up to 38 d.e.)	4.12	6.47	11.13	14.57	10.16	6.81
Type II (38 d.e. up to 58 d.e.)	4.06	6.05	10.37	14.25	10.25	6.76
Type III (58 d.e. up to 73 d.e.)	3.91	5.61	10.20	14.11	10.07	6.84
Type IV (73 d.e. and above)	5.29	6.12	10.89	14.44	10.56	7.40
High-fructose sirup	8.93	9.41	18.10	22.33	13.75	11.02
Dextrose, hydrous and anhydrous	7.92	8.39	13.59	17.97	12.89	11.15
Glucose sirup solids	9.31	10.05	13.98	17.59	17.05	15.72

1/ Preliminary.
2/ Reported in anhydrous dextrose equivalent.
3/ Value of sales is net realized value, f.o.b. point of shipment.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission by U.S. corn-sweetener producers.

Table 3.--Sugar: World production, by leading producers, crop years 1974/75 to 1978/79 1/

(In thousands of short tons, raw value)

Producer	1974/75	1975/76	1976/77	1977/78	1978/79 2/
European Community	9,885	11,231	11,528	13,337	12,855
U.S.S.R	8,521	8,488	8,102	9,728	9,921
Brazil	8,157	6,834	8,267	9,480	8,466
India	6,387	6,023	6,661	8,510	7,716
Cuba	6,945	6,834	6,724	7,716	7,165
United States	5,792	7,204	6,872	6,077	6,178
Mexico	2,972	2,974	2,973	3,340	3,527
Australia	3,226	3,294	3,753	3,662	3,307
People's Republic of China	2,646	2,811	2,866	3,274	3,307
Philippines	2,718	3,169	3,031	2,642	2,375
South Africa	2,076	1,986	2,388	2,437	2,339
Thailand	1,168	1,809	2,438	1,746	1,984
Poland	1,716	2,050	1,985	2,040	1,974
Argentina	1,689	1,487	1,755	1,831	1,520
Turkey	919	1,087	1,416	1,193	1,433
Dominican Republic	1,254	1,377	1,347	1,300	1,400
Spain	659	1,030	1,623	1,397	1,392
Indonesia	1,102	1,157	1,218	1,102	1,323
Colombia	1,001	1,064	972	1,010	1,086
Czechoslovakia	937	827	755	992	992
Taiwan	828	901	1,238	847	893
Pakistan	614	697	818	944	882
Peru	1,091	1,054	1,037	937	882
Yugoslavia	611	539	779	864	863
Japan	527	519	623	705	774
East Germany	772	716	661	862	772
Egypt	595	683	730	699	772
Mauritius	767	547	806	777	766
Iran	711	786	821	756	753
Romania	618	617	882	671	672
Guatemala	423	583	570	452	500
Venezuela	584	509	488	429	485
Canada	93	141	165	149	116
Other producers	8,659	9,237	9,512	9,577	10,004
Total	86,663	90,265	95,804	101,483	99,394

1/ Crop years for most countries are on a September/August basis.
2/ Preliminary.

Source: Compiled from official statistics of the U.S. Department of Agriculture.

Table 4.--Sugar: World consumption, by leading consumers, crop years 1971/72 to 1975/76 1/

(In thousands of short tons, raw value)

Consumer	1971/72	1972/73	1973/74	1974/75	1975/76 2/
U.S.S.R	11,133	12,306	12,401	12,456	12,566
European Community	11,737	11,988	12,496	11,598	11,277
United States	12,015	12,323	11,933	9,917	10,803
Brazil	4,299	4,480	4,521	5,181	5,622
India	4,903	4,814	5,299	5,346	4,911
People's Republic of China	2,701	2,687	3,291	3,307	3,417
Japan	3,142	3,638	3,403	3,462	3,009
Mexico	2,285	2,425	2,519	2,646	2,921
Poland	1,609	1,608	1,819	1,693	1,752
Spain	1,109	1,157	1,222	1,330	1,337
Indonesia	1,102	1,047	1,204	1,213	1,268
Iran	821	733	875	1,146	1,268
South Africa	1,074	1,004	1,053	1,139	1,160
Turkey	827	882	1,005	1,071	1,154
Canada	1,157	1,125	1,211	987	1,127
Argentina	1,059	1,130	1,125	1,162	1,121
Colombia	644	693	735	794	888
Philippines	650	827	981	992	854
Australia	1,030	838	907	873	839
East Germany	761	772	859	772	794
Egypt	639	661	661	740	766
Yugoslavia	717	713	719	717	719
Czechoslovakia	747	772	772	777	716
Pakistan	540	551	716	628	671
Romania	551	664	772	661	661
Venezuela	466	500	572	588	640
Peru	507	551	588	628	628
Thailand	452	455	552	551	606
Bulgaria	612	538	551	573	584
Cuba	551	497	827	551	579
Hungary	524	584	595	591	579
Other countries	12,024	12,486	12,680	12,034	12,418
Total	82,388	85,449	88,864	86,124	87,655

1/ Crop years for most countries are on a September/August basis.
2/ Preliminary.

Source: Compiled from official statistics of the U.S. Department of Agriculture.

Table 5.--Sugar: World production and consumption, crop years 1956/57 to 1978/79

Crop year	World sugar production	World sugar consumption	Production less consumption	World per capita consumption
Year beginning Sept. 1--	1,000 short tons, raw value			Pounds, raw value
1956	46,670	46,548	122	32.98
1957	49,793	49,277	516	34.28
1958	56,255	52,426	3,829	35.80
1959	54,634	53,956	678	36.07
1960	61,809	58,129	3,680	38.19
1961	57,707	61,290	-3,583	39.50
1962	56,407	60,052	-3,645	37.97
1963	60,345	59,812	533	37.09
1964	73,668	65,337	8,331	39.74
1965	69,557	69,242	315	41.34
1966	72,357	72,153	204	42.27
1967	73,231	72,349	882	41.60
1968	74,718	75,111	-393	42.40
1969	81,952	79,611	2,341	44.11
1970	80,215	82,032	-1,817	44.61
1971	80,717	83,084	-2,367	44.35
1972	84,643	85,167	-524	44.61
1973	88,514	88,196	318	45.38
1974	87,743	85,505	2,238	43.15
1975	91,283	88,468	2,815	43.55
1976	97,472	91,798	5,674	44.20
1977	101,808	95,752	6,056	1/
1978	102,776	99,505	3,271	1/

1/ Not available.

Source: Compiled from statistics of F. O. Licht, independent market news reporting service.

Table 6.--Sugar: U.S. imports, by sources and by types, 1973-78

(In short tons, raw value)

Source and type	1973	1974	1975	1976	1977	1978
Philippines	1,454,377	1,472,299	413,034	913,781	1,442,991	846,831
Dominican Republic	745,043	817,728	775,147	971,084	974,788	733,530
Brazil	652,084	783,330	197,131	0	660,633	600,401
Argentina	84,759	109,755	112,318	86,729	266,968	271,097
Peru	407,410	471,145	215,679	312,726	314,186	225,175
Australia	265,388	241,705	479,163	469,534	500,741	158,977
Guatemala	62,552	95,934	60,606	330,578	300,938	156,019
El Salvador	59,880	65,127	107,466	143,154	166,028	130,364
Panama	52,273	65,525	98,250	95,031	131,162	122,934
Colombia	75,055	104,820	159,065	84,289	14,249	113,410
Mauritius	44,599	45,527	26,741	29,811	57,363	112,261
Nicaragua	76,193	53,254	57,962	165,710	119,529	108,203
Canada	0	1	39,990	49,457	138,027	98,144
Belize	47,509	62,506	46,155	14,350	35,549	87,261
Swaziland	30,186	41,360	35,795	45,923	61,855	82,457
Costa Rica	99,705	78,515	56,240	65,076	95,365	78,318
Thailand	19,072	26,220	123,512	70,059	0	64,761
Bolivia	7,549	5,714	3,507	52,990	49,473	62,441
South Africa	73,883	69,410	134,082	98,472	274,227	60,058
Taiwan	86,198	90,059	139,963	86,534	86,055	56,586
Mexico	636,832	538,131	41,130	543	274	52,998
Fiji	44,605	46,083	1	0	18,407	50,713
Trinidad 1/	-	-	-	-	-	49,050
Guyana 1/	-	-	-	-	-	46,088
Jamaica 1/	-	-	-	-	-	43,856
France	0	0	0	14,275	27,215	42,851
Ecuador	93,156	59,628	46,770	28,441	55,380	37,294
Malawi	15,615	10,274	26,585	17,659	38,358	37,029
Belgium	0	2	0	717	1,690	25,146
St. Kitts 1/	-	-	-	-	-	21,568
Barbados 1/	-	-	-	-	-	20,762
Honduras	0	8,455	6,073	7,483	20,634	17,781
West Germany	2	5	1	904	19,906	16,539
Malagasy Republic	12,130	13,088	13,022	13,400	12,052	14,295
Romania	0	0	0	0	0	13,209
Mozambique	0	0	15,090	31,847	97,311	12,913
Uruguay	0	0	0	5,229	0	8,220
Haiti	15,294	18,807	11,622	6,218	0	5,757
Republic of Korea	0	0	10,615	940	288	1,036
India	81,445	84,902	187,624	188,545	32	58
United Kingdom	5,247	0	29	84	44	43
Netherlands	0	0	22	1,538	0	7
Sweden	9	4	3	2	2	3
Hong Kong	1	0	0	0	1	3
Ireland	1,107	0	0	0	0	2
Japan	0	1	0	0	0	1
West Indies 1/	40,836	282,146	237,537	243,978	159,744	-
Denmark	0	0	2	0	3,099	0
Paraguay	7,398	8,306	3,328	10,187	0	0
Switzerland	0	0	0	745	0	0
Austria	0	10	0	16	0	0
Netherland Antilles	0	0	1,296	0	0	0
Venezuela	31,901	0	24	0	0	0
Total	5,329,293	5,769,976	3,882,580	4,658,039	6,144,564	4,686,449
Refined imports	19,335	266	72,680	78,092	271,944	99,649
Raw imports	5,309,958	5,769,710	3,809,900	4,579,947	5,872,620	4,586,800

1/ West Indies not separately reported before 1978.

Source: Compiled from official statistics of the U.S. Department of Agriculture.

Table 7.--Sugar: Estimated refining capacity and production in Eastern Canada, by months, October 1977-September 1978

Period	Capacity (1)	Production (2)	Ratio of (2) to (1) (3)
	Metric tons		Percent
1977:			
October	85,444	71,885	84
November	85,444	75,926	89
December	85,444	66,478	78
Average	85,444	71,430	84
1978:			
January	85,444	64,487	75
February	85,444	65,840	77
March	85,444	76,622	90
April	85,444	71,855	84
May	85,444	80,945	95
June	85,444	88,943	104
July	85,444	78,021	91
August	85,444	88,128	103
September	85,444	83,581	98
Average 1/	85,444	77,602	91

1/ Average monthly production for the 12 months listed is 76,059 metric tons, which is 89 percent of the monthly average capacity of 85,444 metric tons.

Source: Redpath Sugars Ltd., Montreal, Quebec, Canada.

Table 8.--Refined sugar: U.S. production capacity, production, and capacity utilization for respondents to U.S. International Trade Commission questionnaires, by areas, 1974-78

Item	1974	1975	1976	1977	1978
Northeastern/Eastern Great Lakes area: 1/					
Annual capacity--million pounds	***	***	***	***	***
Production--do	***	***	***	***	***
Capacity utilization--percent	***	***	***	***	***
Other U.S. refiners: 2/					
Annual capacity--million pounds	***	***	***	***	***
Production--do	***	***	***	***	***
Capacity utilization--percent	***	***	***	***	***
Total, United States: 3/					
Annual capacity--million pounds	7,633	7,697	7,837	7,946	7,941
Production--do	7,985	6,565	7,220	7,392	7,455
Capacity utilization--percent	105	85	92	93	94

1/ Data for 2 refiners, including data for a refinery in New Orleans, La.
2/ Data for 3 refiners.
3/ Data for 5 refiners accounting for about 35 percent of total U.S. production in 1978.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission by domestic cane sugar refiners and beet sugar processors.

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Table 9 .--Sugar: Monthend stocks held by primary distributors, by months, 1974-78

(In thousands of short tons, raw value)

Period	Cane sugar refiners			Beet sugar processors	Importers of direct-consumption sugar	Mainland cane sugar mills	Total
	Refined	Raw	Total				
1974:							
January	249	668	917	1,334	1	236	2,488
February	270	539	809	1,330	2	367	2,509
March	318	518	836	1,263	1	392	2,493
April	320	338	658	1,168	2	346	2,174
May	285	361	646	1,123	2	263	2,034
June	303	411	714	1,034	1	200	1,949
July	271	420	691	792	2	128	1,613
August	266	347	613	521	1	64	1,200
September	255	345	600	334	1	16	949
October	217	367	583	587	1	31	1,202
November	211	540	750	953	1/	119	1,822
December	295	886	1,181	1,406	1	211	2,800
1975:							
January	288	756	1,044	1,649	1	373	3,067
February	279	600	879	1,578	1	513	2,971
March	261	601	863	1,421	1/	552	2,836
April	274	494	768	1,316	0	437	2,521
May	259	491	750	1,219	0	330	2,299
June	274	423	698	1,010	0	238	1,946
July	211	272	484	652	0	139	1,275
August	251	319	569	400	0	62	1,022
September	265	434	699	246	0	13	958
October	262	477	738	617	0	60	1,415
November	275	493	768	1,082	0	238	2,088
December	237	415	651	1,596	0	484	2,731
1976:							
January	280	461	741	1,915	0	515	3,171
February	277	421	698	1,906	0	596	3,201
March	237	362	599	1,700	0	634	2,933
April	261	410	671	1,562	0	545	2,778
May	285	429	715	1,435	0	419	2,569
June	298	522	820	1,195	0	299	2,314
July	311	588	899	919	0	220	2,038
August	284	585	869	679	0	141	1,689
September	252	513	765	496	0	62	1,324
October	290	439	729	826	0	105	1,660
November	277	631	907	1,296	0	300	2,504
December	279	776	1,055	1,777	0	509	3,341
1977:							
January	278	705	983	2,014	0	627	3,624
February	327	737	1,064	2,009	0	683	3,758
March	315	592	907	1,843	0	680	3,430
April	331	640	971	1,734	0	596	3,302
May	373	679	1,052	1,647	0	493	3,191
June	362	623	985	1,433	0	364	2,782
July	361	661	1,022	1,166	0	236	2,424
August	372	660	1,032	859	0	129	2,019
September	406	763	1,169	704	0	79	1,931
October	366	846	1,211	949	0	99	2,239
November	328	1,041	1,369	1,342	0	298	3,009
December	334	1,677	2,012	1,691	91	556	4,349
1978:							
January	366	1,334	1,700	1,812	85	755	4,352
February	362	1,033	1,395	1,753	79	877	4,104
March	376	865	1,241	1,614	70	924	3,850
April	410	655	1,065	1,490	62	834	3,451
May	457	734	1,191	1,413	49	672	3,326
June	355	726	1,080	1,256	43	550	2,930
July	441	733	1,174	1,025	29	500	2,729
August	426	695	1,120	712	17	415	2,264
September	400	742	1,142	501	9	403	2,054
October	393	750	1,144	773	4	403	2,324
November	394	890	1,284	1,190	0	610	3,084
December	388	982	1,369	1,561	0	804	3,734

1/ Less than 500 short tons.

Source: Compiled from official statistics of the U.S. Department of Agriculture.

Note.--Because of rounding, figures may not add to the totals shown.

Table 10.--Average number of production and related workers in cane-sugar-refining operations of Amstar Corp., and in other refining operations of Amstar Corp. and the refining operations of 3 other sugar producers, by quarters, 1974-78

(Number of employees)

Period	Cane-sugar-refining operations of Amstar Corp. 1/	Other sugar-refining operations 2/	Total
1974:			
Jan.-Mar	***	***	4,933
Apr.-June	***	***	5,487
July-Sept	***	***	5,616
Oct.-Dec	***	***	6,878
Average	***	***	5,728
1975:			
Jan.-Mar	***	***	5,097
Apr.-June	***	***	5,315
July-Sept	***	***	6,201
Oct.-Dec	***	***	7,864
Average	***	***	6,119
1976:			
Jan.-Mar	***	***	5,462
Apr.-June	***	***	5,885
July-Sept	***	***	6,198
Oct.-Dec	***	***	8,258
Average	***	***	6,451
1977:			
Jan.-Mar	***	***	5,710
Apr.-June	***	***	5,868
July-Sept	***	***	5,981
Oct.-Dec	***	***	7,736
Average	***	***	6,324
1978:			
Jan.-Mar	***	***	6,778
Apr.-June	***	***	5,743
July-Sept	***	***	6,242
Oct.-Dec	***	***	7,353
Average	***	***	6,529

1/ Except for data for its cane sugar refinery located in New Orleans, La, these data are predominantly for Amstar Corp.'s cane sugar refineries in the Northeastern/Eastern Great Lakes (NE/EGL) area.

2/ Exclusively data for refineries outside the NE/EGL area.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission by domestic cane sugar refiners and beet sugar processors.

Table 11.--Person-hours worked by production and related workers employed in cane-sugar-refining operations of Amstar Corp., and in other refining operations of Amstar Corp. and the refining operations of 3 other sugar producers, by quarters, 1974-78

(In thousands of hours)

Period	Cane-sugar-refining operations of Amstar Corp. 1/	Other sugar-refining operations 2/	Total
1974:			
Jan.-Mar	***	***	2,710
Apr.-June	***	***	2,979
July-Sept	***	***	3,255
Oct.-Dec	***	***	3,664
Total	***	***	12,608
1975:			
Jan.-Mar	***	***	2,295
Apr.-June	***	***	2,856
July-Sept	***	***	3,352
Oct.-Dec	***	***	4,204
Total	***	***	12,707
1976:			
Jan.-Mar	***	***	2,999
Apr.-June	***	***	3,093
July-Sept	***	***	3,380
Oct.-Dec	***	***	4,411
Total	***	***	13,883
1977:			
Jan.-Mar	***	***	3,044
Apr.-June	***	***	3,055
July-Sept	***	***	3,384
Oct.-Dec	***	***	3,919
Total	***	***	13,402
1978:			
Jan.-Mar	***	***	3,362
Apr.-June	***	***	3,012
July-Sept	***	***	3,491
Oct.-Dec	***	***	3,813
Total	***	***	13,678

1/ Except for data for its cane sugar refinery located in New Orleans, La., these data are predominantly for Amstar Corp.'s cane sugar refineries in the Northeastern/Eastern Great Lakes (NE/EGL) area.

2/ Exclusively data for refineries outside the NE/EGL area.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission by domestic cane sugar refiners and beet sugar processors.

Table 12.--Net sales and profit or (loss) before income taxes or net proceeds paid or payable to cooperative members for U.S. cane sugar refiners and beet sugar processors on their sugar-refining operations, by areas of major sales, accounting years 1974-78

(In thousands of dollars)

Item	1974	1975	1976	1977	1978
Northeastern/Eastern Great Lakes area: 1/					
Net sales of sugar	***	***	***	***	***
Sales of byproducts	***	***	***	***	***
Total net sales	***	***	***	***	***
Net profit or (loss) before income taxes	***	***	***	***	***
Other:					
Net sales of sugar	***	***	***	***	***
Sales of byproducts	***	***	***	***	***
Total net sales	***	***	***	***	***
Net profit or (loss) before income taxes	***	***	***	***	***
Total:					
Net sales of sugar	1,624,695	2,302,953	2/ 1,460,084	1,211,624	1,268,368
Sales of byproducts	42,899	48,327	2/ 55,231	60,800	53,646
Total net sales	1,667,594	2,351,280	2/ 1,515,315	1,272,424	1,322,014
Net profit before income taxes	70,209	128,094	2/ 94,470	42,567	3,526

1/ Data of 2 cane sugar refiners.

2/ Includes only 10-month data for 1 refiner whose sales are mostly to markets in the Northeastern/Eastern Great Lakes area.

3/ Data of 5 sugar producers.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission by domestic cane sugar refiners and beet sugar processors.

Table 13.--Sugar: U.S. production, imports, exports, yearend stocks, and consumption, 1974-78

Item	1974	1975	1976	1977	1978
Production---------short tons 1/--	5,963,296	6,610,839	7,129,812	6,372,573	5,820,864
Imports:					
From Canada----------do----	1	39,990	49,457	138,027	98,144
From other countries-------do----	5,769,975	3,842,590	4,608,582	6,006,537	4,588,305
Total----------do----	5,769,976	3,882,580	4,658,039	6,144,564	4,686,449
Exports----------do----	27,640	147,287	67,566	34,959	46,531
Yearend stocks----------do----	2,879,310	2,902,874	3,512,563	4,544,450	3,976,335
Consumption 2/----------do----	11,472,252	10,176,189	11,100,636	11,419,058	11,046,212
Ratio of imports to consumption:					
Imports from Canada-----percent--	3/	0.4	0.4	1.2	0.9
Imports from other countries----------do----	50.3	37.8	41.5	52.6	41.5
Total----------do----	50.3	38.2	42.0	53.8	42.4

1/ Raw value.
2/ Includes human consumption, consumption for the production of livestock feed and alcohol, and refining loss.
3/ Less than 0.05 percent.

Source: Compiled from official statistics of the U.S. Department of Agriculture.

Table 14.--Sugar: U.S. deliveries, by industrial uses, by nonindustrial users, and by quarters, 1974-78

(In millions of pounds)

Period	Industrial uses								Nonindustrial users						Unspecified	Total
	Bakery, cereal, and allied products	Confectionery and related products	Ice cream and dairy products	Beverages	Canned, bottled, frozen foods; jams, jellies, etc.	Multiple and all other food uses	Nonfood uses	Total	Hotels, restaurants, and institutions	Wholesale grocers, jobbers, and sugar dealers	Retail grocers, chainstores, and supermarkets	All other deliveries	Total			
1974:																
Jan.-Mar---	783	566	292	1,086	410	265	70	3,472	46	947	631	52	1,677		0	5,149
Apr.-June--	737	530	320	1,309	462	238	66	3,662	46	1,035	671	67	1,818		0	5,480
July-Sept--	748	523	307	1,323	715	277	63	3,955	54	1,134	780	58	2,026		0	5,981
Oct.-Dec---	617	418	221	982	311	248	57	2,854	36	888	625	64	1,614		0	4,468
Total----	2,886	2,037	1,140	4,699	1,898	1,028	256	13,944	181	4,004	2,707	242	7,135		0	21,079
1975:																
Jan.-Mar---	500	315	170	787	199	188	32	2,191	33	518	379	43	973		85	3,250
Apr.-June--	601	379	278	1,085	337	250	41	2,971	45	979	646	37	1,706		140	4,816
July-Sept--	653	421	289	1,214	588	276	44	3,484	34	1,243	767	46	2,089		186	5,760
Oct.-Dec---	622	419	239	953	280	223	50	2,786	31	970	671	38	1,709		187	4,682
Total----	2,376	1,533	976	4,039	1,405	936	168	11,432	142	3,709	2,463	164	6,478		636	18,545
1976:																
Jan.-Mar---	648	462	247	961	278	254	50	2,899	26	877	540	48	1,492		249	4,640
Apr.-June--	610	429	281	1,186	348	285	54	3,191	36	1,016	613	65	1,729		281	5,202
July-Sept--	613	415	286	1,198	480	229	46	3,265	33	1,223	754	69	2,079		267	5,612
Oct.-Dec---	587	428	222	981	259	212	46	2,735	32	952	634	78	1,696		202	4,632
Total----	2,457	1,733	1,035	4,326	1,364	979	195	12,091	128	4,068	2,540	260	6,996		1,000	20,087
1977:																
Jan.-Mar---	685	470	256	1,016	295	254	53	3,029	33	970	577	73	1,653		177	4,859
Apr.-June--	687	460	302	1,314	354	237	50	3,403	34	978	587	79	1,677		124	5,205
July-Sept--	660	453	292	1,353	494	297	46	3,594	33	1,084	687	66	1,871		252	5,716
Oct.-Dec---	604	436	233	1,056	274	253	50	2,907	38	1,034	673	72	1,818		199	4,924
Total----	2,636	1,819	1,083	4,739	1,417	1,041	199	12,933	140	4,066	2,524	290	7,019		752	20,704
1978:																
Jan.-Mar---	667	453	244	1,127	283	197	68	3,054	46	843	472	55	1,416		68	4,538
Apr.-June--	652	447	314	1,435	350	207	72	3,477	51	997	580	68	1,695		73	5,245
July-Sept--	643	444	273	1,448	427	195	108	3,539	57	1,141	682	70	1,951		90	5,580
Oct.-Dec---	604	445	226	1,111	284	215	68	2,953	54	944	602	54	1,655		83	4,691
Total----	2,566	1,789	1,038	5,154	1,345	814	317	13,023	208	3,926	2,336	247	6,717		314	20,054

Source: Compiled from official statistics of the U.S. Department of Agriculture.

Note.--Because of rounding, figures may not add to the totals shown.

Table 15.--Caloric and noncaloric sweeteners: Per capita U.S. consumption, 1974-78

(In pounds)

Item	1974	1975	1976	1977	1978 1/
All sweeteners	129.0	125.5	132.1	135.5	134.9
Caloric sweeteners, total	123.1	119.3	126.0	128.9	128.0
Refined sugar	96.6	90.2	94.7	95.7	92.7
Cane	70.5	59.7	62.2	65.4	64.6
Beet	26.1	30.5	32.5	30.3	28.1
Corn sweeteners 2/	25.3	27.8	29.9	31.9	33.8
Other 3/	1.2	1.3	1.4	1.3	1.5
Noncaloric sweeteners 4/	5.9	6.2	6.1	6.6	6.9

1/ Estimated.
2/ High-fructose corn sirup, glucose, and dextrose, dry basis.
3/ Honey and edible sirups, dry basis.
4/ Saccharin, sugar sweetness equivalent basis.

Source: Compiled from official statistics of the U.S. Department of Agriculture.

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Table 16.—Sugar: U.S. imports for consumption from Canada, by customs districts of entry and by quarters, 1975-78

Period	Customs district of entry						
	Portland, Maine	St. Albans, Vt.	Ogdensburg, N.Y.	Buffalo, N.Y.	Detroit, Mich.	Other districts	All districts
	Quantity (1,000 pounds)						
1975	4,354	8,735	21,943	36,453	9,018	129	80,632
Jan.-Mar.	388	1,440	3,286	2,698	0	0	7,792
Apr.-June	2,609	643	6,063	7,075	520	84	16,994
July-Sept	213	1,006	4,274	9,205	1,944	45	16,687
Oct.-Dec.	1,164	5,646	8,320	17,473	6,554	0	39,159
1976	472	13,010	19,900	43,353	18,407	84	97,226
Jan.-Mar.	124	6,445	5,911	10,952	2,213	0	25,645
Apr.-June	264	3,247	6,730	7,624	2,211	1	20,077
July-Sept	84	2,616	3,656	10,819	7,611	83	24,869
Oct.-Dec.	0	2,702	3,603	13,958	6,372	0	26,635
1977	1,697	32,362	57,107	101,666	76,525	704	270,061
Jan.-Mar.	0	3,735	5,318	13,962	5,345	0	28,360
Apr.-June	48	4,977	7,305	20,797	13,822	0	46,949
July-Sept	639	8,637	14,972	24,967	23,982	2	73,199
Oct.-Dec.	1,010	15,013	29,512	41,940	33,376	70	121,553
1978	990	41,987	31,064	93,543	31,790	186	199,560
Jan.-Mar.	187	4,432	3,578	12,700	2,875	95	23,867
Apr.-June	97	13,479	6,602	22,773	8,103	91	51,145
July-Sept	676	13,263	8,605	26,662	12,012	0	61,218
Oct.-Dec.	30	10,813	12,279	31,408	8,800	0	63,330
	Value (1,000 dollars) 1/						
1975	1,160	1,954	5,253	8,366	1,945	40	18,918
Jan.-Mar.	112	540	1,196	1,068	-	-	2,916
Apr.-June	795	182	1,659	1,763	135	31	4,565
July-Sept	50	224	887	2,161	451	9	3,782
Oct.-Dec.	203	1,008	1,511	3,374	1,359	-	7,655
1976	87	2,474	3,237	7,315	2,770	16	16,099
Jan.-Mar.	24	1,131	1,060	2,150	415	-	4,780
Apr.-June	47	579	1,226	1,506	398	2/	3,736
July-Sept	16	399	516	1,784	1,168	16	3,999
Oct.-Dec.	-	365	435	2,075	789	-	3,664
1977	215	3,717	6,654	14,942	9,670	90	35,288
Jan.-Mar.	-	490	625	2,076	660	-	3,851
Apr.-June	8	630	941	3,306	1,670	-	6,555
July-Sept	77	880	1,675	3,584	3,088	2/	9,304
Oct.-Dec.	130	1,717	3,413	5,976	4,252	90	15,578
1978	122	4,681	3,580	15,683	4,265	33	28,364
Jan.-Mar.	26	566	451	2,038	402	15	3,498
Apr.-June	13	1,576	722	3,859	1,202	18	7,390
July-Sept	79	1,338	913	4,395	1,549	-	8,274
Oct.-Dec.	4	1,201	1,494	5,391	1,112	-	9,202
	Unit value (cents per pound) 1/						
1975	26.6	22.4	23.9	23.5	21.6	31.0	23.5
Jan.-Mar.	30.4	37.5	36.4	39.6	-	-	37.4
Apr.-June	30.5	28.3	27.4	24.9	26.0	36.9	27.3
July-Sept	23.5	22.7	20.8	23.5	23.2	20.0	22.7
Oct.-Dec.	17.4	17.9	18.2	20.5	21.7	-	19.5
1976	18.4	16.5	16.3	17.3	15.0	19.0	16.6
Jan.-Mar.	19.4	17.5	17.9	19.6	18.8	-	18.6
Apr.-June	17.8	17.8	18.2	19.8	18.9	3/ 35.9	18.7
July-Sept	19.1	15.3	14.1	16.5	15.3	19.3	15.7
Oct.-Dec.	-	13.5	12.1	14.9	12.4	-	13.8
1977	12.7	11.5	11.7	14.7	12.6	12.8	13.1
Jan.-Mar.	-	13.1	11.8	14.9	12.3	-	13.6
Apr.-June	16.7	12.7	12.9	15.9	12.1	-	14.0
July-Sept	12.0	10.2	11.2	14.4	12.9	3/ 16.0	12.7
Oct.-Dec.	12.9	11.4	11.6	14.2	12.7	12.8	12.8
1978	12.3	11.1	11.5	16.8	13.4	17.7	14.3
Jan.-Mar.	13.9	12.8	12.6	16.0	14.0	15.8	14.7
Apr.-June	13.4	11.7	10.9	16.9	14.8	19.8	14.4
July-Sept	11.7	10.1	10.6	16.5	12.9	-	13.5
Oct.-Dec.	13.3	11.1	12.2	17.2	12.6	-	14.5

1/ Dutiable value.
2/ Less than $500.
3/ Calculated from the unrounded figures.

Source: Compiled from official statistics of the U.S. Department of Commerce.

Note.—Because of rounding, figures may not add to the totals shown or equal the totals obtainable by adding the monthly figures shown in table 19

Table 17.--Raw sugar: U.S. and world prices, by months, 1974-78

(In cents per pound)

Period	World price, f.o.b., Caribbean 1/	Cost of insurance and freight	Duty per lb for 96° raw sugar 2/	World price, New York basis	Quota premium or discount 3/	U.S. price, New York, duty paid 4/	Price paid to foreign supplier
1974:							
January	15.32	0.925	0.625	16.87	-4.24	12.63	11.08
February	21.28	.925	.625	22.83	-5.74	17.09	15.54
March	21.27	.965	.625	22.86	-4.75	18.11	16.52
April	21.77	1.005	.625	23.40	-4.15	19.25	17.62
May	23.65	1.125	.625	25.40	-2.35	23.05	21.30
June	23.67	1.105	.625	25.40	.90	26.30	24.57
July	25.40	1.035	.625	27.06	1.29	28.35	26.69
August	31.45	1.005	.625	33.08	-.48	32.60	30.97
September	34.35	.975	.625	35.95	-2.24	33.71	32.11
October	39.63	1.045	.625	41.30	-2.47	38.83	37.16
November	57.17	1.045	.625	58.84	-1.54	57.30	55.63
December	44.97	.955	.625	46.55	.19	46.74	45.16
1975:							
January	38.32	.845	.625	39.79	.36	40.15	38.68
February	33.72	.875	.625	35.22	.85	36.07	34.57
March	26.50	.875	.625	28.00	.52	28.52	27.02
April	24.06	.875	.625	25.56	.51	26.07	24.57
May	17.38	.805	.625	18.81	.46	19.27	17.84
June	13.83	.795	.625	15.25	.71	15.96	14.54
July	17.06	.795	.625	18.48	1.41	19.89	18.47
August	18.73	.745	.625	20.10	1.01	21.11	19.74
September	15.45	.765	.625	16.84	.52	17.36	15.97
October	14.09	.775	.625	15.49	-.04	15.45	14.05
November	13.40	.775	.625	14.80	.23	15.03	13.63
December	13.29	.775	.625	14.69	.11	14.80	13.40
1976:							
January	14.04	.755	.625	15.42	0	15.42	14.04
February	13.52	.755	.625	14.90	.14	15.04	13.66
March	14.92	.825	.625	16.37	-.10	16.27	14.82
April	14.06	.825	.625	15.51	.07	15.58	14.13
May	14.58	.825	.625	16.03	-.06	15.97	14.52
June	12.99	.805	.625	14.42	-.02	14.40	12.97
July	13.21	.805	.625	14.64	-.05	14.59	13.16
August	9.99	.785	.625	11.40	-.08	11.32	9.91
September	8.16	.879	1.011	10.05	-.25	9.80	7.91
October	8.03	.845	1.875	10.75	-.10	10.65	7.93
November	7.91	.795	1.875	10.58	-.12	10.46	7.79
December	7.54	.795	1.875	10.21	.01	10.22	7.55

See footnotes at end of table.

Table 17.--Raw sugar: U.S. and world prices, by months, 1974-78--Continued

(In cents per pound)

Period	World price, f.o.b., Caribbean 1/	Cost of insurance and freight	Duty per lb for 96° raw sugar 2/	World price, New York basis	Quota premium or discount 3/	U.S. price, New York, duty paid 4/	Price paid to foreign supplier
1977:							
January	8.37	0.785	1.875	11.03	-0.08	10.95	8.29
February	8.56	.785	1.875	11.22	-.16	11.06	8.40
March	8.98	.835	1.875	11.69	-.02	11.67	8.96
April	10.12	.775	1.875	12.77	-.20	12.57	9.92
May	8.94	.765	1.875	11.58	-.24	11.34	8.70
June	7.82	.765	1.875	10.46	-.18	10.28	7.64
July	7.38	.725	1.875	9.98	.17	10.15	7.55
August	7.61	.725	1.875	10.21	1.00	11.21	8.61
September	7.30	.725	1.875	9.90	.51	10.41	7.81
October	7.08	.785	1.875	9.74	.49	10.23	7.57
November	7.07	.855	1.875	9.80	1.54	11.34	8.61
December	8.09	.855	1.875	10.82	1.51	12.33	9.60
1978:							
January	8.77	.797	3.171	12.74	.64	13.38	9.41
February	8.48	.750	5.513	14.74	-.98	13.76	7.50
March	7.74	.750	5.513	14.00	-.35	13.65	7.39
April	7.59	.830	5.513	13.93	0	13.93	7.59
May	7.33	.780	5.513	13.62	.33	13.95	7.66
June	7.22	.830	5.513	13.56	.52	14.08	7.74
July	6.43	.700	5.513	12.64	.85	13.49	7.28
August	7.09	.700	5.513	13.30	1.10	14.40	8.19
September	8.16	.700	5.513	14.37	.68	15.05	8.84
October	8.96	.700	5.513	15.17	.04	15.21	9.00
November	8.02	.720	5.513	14.25	-.04	14.21	7.98
December	7.99	.750	5.513	14.25	.23	14.48	8.22

1/ Data for January 1974 to October 1977 are spot prices for Contract No. 11, bulk sugar, f.o.b., stowed at Greater Caribbean ports (including Brazil). Beginning November 1977, data are world prices as reported by the International Sugar Organization pursuant to art. 53 of the International Sugar Agreement.

2/ Includes sec. 22 fees.

3/ Prior to 1975, the premium or discount in the U.S. market was attributed to quota limitations under the Sugar Act.

4/ Data for January 1975 to October 1977 are spot prices for Contract No. 12, bulk sugar, delivered at Atlantic or Gulf ports, duty paid or duty free. Beginning November 1977, data are estimates calculated on the basis of the spread in futures prices for the nearest trading month with both Contract No. 11 and 12 futures.

Source: Compiled from official statistics of the U.S. Department of Agriculture, except as noted.

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Table 18.--Selected wholesale prices for refined sugar, corn sirup, dextrose, and high-fructose corn sirup (HFCS), by months, 1974-78

Period	Refined sugar 1/ (1)	Corn sirup 2/ (2)	Ratio of (2) to (1) (3)	Dextrose 2/ (4)	Ratio of (4) to (1) (5)	HFCS 2/ (6)	Ratio of (6) to (1) (7)
	Cents per pound	Cents per pound	Percent	Cents per pound	Percent	Cents per pound	Percent
1974:							
January	15.65	10.85	69	11.52	74	3/	-
February	18.49	10.85	59	11.52	63	3/	-
March	20.90	10.85	52	11.52	55	3/	-
April	23.78	10.85	46	11.52	48	3/	-
May	27.61	10.85	39	11.52	42	3/	-
June	31.04	10.85	35	11.52	37	3/	-
July	32.50	13.45	41	16.58	51	3/	-
August	36.83	19.27	52	4/	-	3/	-
September	40.74	15.01	37	4/	-	3/	-
October	43.59	15.23	35	4/	-	3/	-
November	60.69	15.23	25	4/	-	3/	-
December	60.41	15.23	25	4/	-	3/	-
1975:							
January	52.95	17.81	34	4/	-	32.62	62
February	48.96	17.83	36	4/	-	32.62	67
March	40.50	17.78	44	4/	-	30.91	76
April	37.01	17.80	48	23.49	63	28.43	77
May	32.23	17.93	56	25.49	73	23.25	72
June	25.57	17.93	70	23.53	61	19.17	75
July	26.89	17.78	66	20.83	71	20.47	76
August	27.05	18.04	67	20.49	70	22.63	84
September	23.30	19.17	82	19.78	78	19.64	84
October	21.15	19.20	91	18.68	81	17.79	84
November	20.84	18.11	87	17.99	79	17.02	82
December	20.53	17.01	83	16.97	76	17.12	83
1976:							
January	21.31	16.33	77	16.71	78	17.78	83
February	20.86	15.18	73	16.90	81	17.21	83
March	22.20	15.18	68	16.90	76	18.24	82
April	21.41	15.18	71	16.90	79	17.30	81
May	21.87	15.18	69	16.90	77	17.68	81
June	20.22	18.74	93	17.09	85	16.52	82
July	20.46	14.73	72	17.11	84	16.03	78
August	17.04	14.50	85	16.70	98	13.93	82
September	15.85	12.56	79	15.27	96	12.47	79
October	16.90	12.00	71	15.27	90	12.86	76
November	16.28	12.12	74	15.27	94	12.81	79
December	15.97	11.61	73	15.27	96	12.74	80
1977:							
January	16.70	11.49	69	15.27	91	12.82	77
February	16.94	11.49	68	15.27	90	13.45	79
March	17.45	11.39	66	15.27	88	13.45	77
April	18.52	11.59	63	15.25	82	13.45	73
May	17.52	11.39	66	15.00	86	13.45	77
June	16.40	11.59	71	15.00	91	13.00	79
July	16.13	11.54	72	14.83	92	12.48	77
August	17.38	11.07	64	13.26	76	12.94	74
September	16.57	11.07	67	13.26	80	12.59	76
October	16.35	10.73	66	13.37	82	12.33	75
November	18.50	9.49	51	13.80	75	13.30	72
December	18.88	9.49	50	13.80	73	13.34	71
1978:							
January	19.85	9.39	48	15.10	76	13.43	68
February	20.54	9.61	47	15.33	75	13.30	65
March	20.03	9.61	48	15.33	77	12.04	60
April	20.18	10.17	50	15.78	78	12.39	61
May	20.31	10.36	51	15.87	78	12.39	61
June	20.13	10.36	51	15.87	79	12.39	62
July	19.90	11.28	57	16.75	84	12.43	62
August	20.70	11.90	57	17.34	84	11.67	56
September	21.83	11.90	55	17.31	79	11.65	53
October	22.65	11.74	52	16.96	75	11.65	51
November	22.05	11.90	54	17.32	79	12.11	55
December	22.27	11.91	53	17.32	78	12.39	56

1/ In 100-pound bags, Northeast.
2/ In bulk, dry basis, New York.
3/ No prices available prior to 1975.
4/ Not available.

Source: Compiled from official statistics of the U.S. Department of Agriculture.

Table 19.--Sugar: U.S. imports for consumption from Canada, by months, 1975-78

Month	1975	1976	1977	1978
	Quantity (1,000 pounds)			
January	572	6,946	8,077	10,470
February	902	8,459	7,655	5,765
March	6,318	10,244	12,634	7,630
April	6,274	9,095	14,960	10,609
May	5,702	5,721	13,895	17,874
June	5,021	5,259	18,097	22,657
July	4,787	2,048	13,877	26,845
August	3,324	8,660	20,647	18,875
September	8,574	14,161	38,672	15,496
October	16,799	9,435	26,842	15,980
November	8,227	9,406	53,816	20,840
December	14,128	7,797	40,892	26,520
Total	80,628	97,231	270,064	199,561
	Value (1,000 dollars) 1/			
January	273	1,312	1,050	1,525
February	398	1,569	1,082	894
March	2,244	1,896	1,728	1,074
April	1,873	1,694	2,071	1,520
May	1,567	1,074	2,041	2,710
June	1,127	989	2,445	3,156
July	960	387	1,785	3,703
August	849	1,458	2,639	2,380
September	1,972	2,056	4,879	2,193
October	3,440	1,361	3,277	2,515
November	1,600	1,270	6,680	2,907
December	2,617	1,035	5,621	3,784
Total	18,920	16,101	35,298	28,361
	Unit value (cents per pound) 1/			
January	47.7	18.9	13.0	14.6
February	44.1	18.5	14.1	15.5
March	35.5	18.5	13.7	14.1
April	29.9	18.6	13.8	14.3
May	27.5	18.8	14.7	15.2
June	22.4	18.8	13.5	13.9
July	20.1	18.9	12.9	13.8
August	25.5	16.8	12.8	12.6
September	23.0	14.5	12.6	14.2
October	20.5	14.4	12.2	15.7
November	19.4	13.5	12.4	13.9
December	18.5	13.3	13.7	14.3
Average	23.5	16.6	13.1	14.2

1/ Dutiable value.

Source: Compiled from official statistics of the U.S. Department of Commerce.

Note.--Because of rounding, figures may not add to the totals shown.

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APPENDIX D

PROBABLE ECONOMIC EFFECT OF TARIFF CHANGES UNDER TITLE I AND TITLE V OF THE TRADE ACT OF 1974 TRADE AGREEMENT DIGEST NO. 10229, JULY 1975

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Library Cataloging Data

U.S. International Trade Commission.
Sugar from Canada. Determination of "a reasonable indication of injury" in inquiry no. AA1921-Inq.-27, under the Antidumping act, 1921, as amended. Washington, 1979.

15, A 60 p. illus. 26 cm. (USITC Publication 977)

1. Sugar--Tariff. 2. Sugar--Manufacture and refining--U.S. 3. Sugar--Manufacture and refining--Canada. 4. Sugar--Prices. 5. Sugar--Statistics. I. Title.